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Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

PART XXVI.

[T 7854/965/374] No. 1.

Mr. Ogilvie-Forbes to Sir John Simon.—(*Received July* 10.)

(No. 407.)

Sir, *Bagdad, June* 27, 1933.

WITH reference to Sir George Clerk's despatch No. 224 of the 4th July, 1932, I have the honour to inform you that the ratifications of the Turco-Iraqi Extradition Treaty, signed at Angora on the 9th January, 1932, and of the Convention d'Etablissement, signed on the same day, were exchanged on the 21st June last by the Iraqi Prime Minister and the Turkish Plenipotentiary at the Ministry for Foreign Affairs, Bagdad.

2. I am sending a copy of this despatch to His Majesty's Embassy at Istanbul.

I have, &c.
GEORGE OGILVIE-FORBES.

[E 3496/83/44] No. 2.

Sir John Simon to Sir G. Clerk (*Istanbul*).

(No. 4.)

(Telegraphic.) R. *Foreign Office, July* 11, 1933.

MY despatch No. 252 of 29th June: Turkish import restrictions.

Please take early action on lines indicated in Board of Trade letter of 28th June.

[E 3806/1814/44] No. 3.

Sir G. Clerk to Sir John Simon.—(*Received July* 13.)

(No. 250.)

Sir, *Constantinople, June* 30, 1933.

WITH reference to my despatch No. 240 of the 21st instant, on the subject of the appointment of American economic advisers to the Turkish Government, I have the honour to inform you that Mr. Hines, who has been engaged as a general economic adviser, has now arrived in Turkey. He is at present at Angora, but expects to leave for London in July with the object of getting into personal touch with Celal Bey, the Minister of National Economy, and with the Director-General of the State Bank, who are attending the World Economic Conference.

2. As far as I am aware, the only American specialist still to arrive in this country is Mr. James F. Hodgson, director of the New York office of the Bureau of Foreign and Domestic Commerce, who has accepted the offer of the Turkish

Government to be its commercial and industrial adviser, and is expected to take up his duties some time during the summer.

3. The following is a list of the American advisers at present attached to Turkish Government Departments :—

Name.	Adviser on—	Attached to—
Charles Bell	Railways	Ministry of Public Works.
Major Hulse	Aviation	Ministry of National Defence.
Hines..	Economic programme ..	Ministry of National Economy.
Major H. Somervill ..	Economic programme ..	Ministry of National Economy.
Gardner	Agriculture	Ministry of Agriculture.
Van Sicklen	Gold (mineral)	Ministry of National Economy.
Paige	Mines and minerals ..	Ministry of National Economy.
Vorfeld	Customs	Ministry of Customs and Monopolies.
Clark	Cotton	Ministry of Agriculture.
Dr. Beryl Parker ..	Kindergarten schools ..	Ministry of Education.

4. In a conversation with Mr. Shaw, the Chargé d'Affaires of the United States Embassy, Mr. Morgan was informed that the initiative in getting these advisers had been entirely on the Turkish side, and that neither the United States Embassy nor the United States Government had ever made any preliminary suggestion or taken any initial action in the matter. Over a year ago, Ali Rana Bey, the Minister of Customs, had spoken to Dr. Gates, of Robert College, about his wish to engage an American customs adviser, but the matter then seemed to have been dropped until the Turkish Government approached the United States Government direct. The suggestion that other American advisers should come to Turkey was made later to the United States Ambassador, who telegraphed to his Government that Turkey wanted advisers and that first-class men should be selected.

5. Mr. Shaw had no explanation to offer as to the reason for the selection of American advisers, to the exclusion of specialists from other countries, but he considered that the Turkish Government had probably been influenced in their choice by the possibility that, if British advisers, for instance, had been chosen, awkward questions might have been asked by the French and German Governments.

6. For my own part, I am inclined to think that Americans have been chosen for the more important offices largely because the Turks believe that they have no political axe to grind in this country, and that they can with safety be allowed to go everywhere in Turkey without making it part of their duty to observe and make reports to their Government on matters outside their own particular domain. Morever, the relations between Turkey and the United States have for long been friendly, and the Turks have a genuine regard for American institutions, wherein a number of them have received their education.

7. On the other hand, it is, at first glance, surprising that the Turkish Government should have appointed a comparatively large number of foreign specialists, at high salaries, at a time when money is so scarce. According to the information obtained by the commercial secretary to this Embassy, the total vote in the budget, under the heading of advisers, represents a sum of £T. 921,050, or ·54 per cent. of the total expenditure. It should be borne in mind, however, that this sum includes the salaries of a number of foreigners, other than Americans, the majority of whom are employed as experts, some on short-term contracts, in certain branches of public departments, principally in the Ministry of Agriculture. Judging from the salary paid to Mr. Bell, adviser to the State Railways, which is believed to be 25,000 dollars for six months, the share of the American advisers in the vote under the heading of "Specialists" must be very considerable. On the other hand, however, with the exception of the two American specialists for aviation and education, the choice of American advisers has been limited to departments of State directly concerned with economic questions and sources of revenue.

8. The administrative system in such departments as customs and railways is inefficient and costly owing to the useless multiplication of formalities, the duplication of controls, and, in the case of the customs, widespread bribery and corruption amongst minor officials. It is safe to assume, in these circumstances, that the Turkish Government, by the general reorganisation of administrative procedure, the adoption of modern methods in agricultural production and distribution, and the elimination of useless officials, hope to increase the wealth

of the country, augment the yield of direct and indirect taxation, and reduce departmental expenditure; and it is possible that the heavy outlay incurred by the engagement of American advisers will ultimately prove to have been a good investment.

9. I am sending copies of this despatch to His Majesty's Ambassador at Washington and to the Department of Overseas Trade.

I have, &c.
GEORGE R. CLERK.

E 3809/178/44 No. 4.

Sir G. Clerk to Sir John Simon.—(*Received July* 13.)

(No. 256.)

Sir, *Constantinople, July* 6, 1933.

WITH reference to my despatches Nos. 211 and 221 of the 7th and 12th June last respectively, regarding the prolongation of the Ottoman Bank's concession, I have the honour to transmit to you herewith the text of the law approving the agreement signed on the 5th June last between the Ottoman Bank and the Turkish Government.(1) The text of the agreement is incorporated in the law.

2. The principal features of the agreement were set forth in the earlier of my despatches under reference. It may, however, be of interest to note here that in addition to the credits which the bank is to put at the disposal of the Turkish Government, the former is also to make a loan of £T. 1 million to the new Sumer Bank (formerly Bank of Mines and Industries).

3. The remaining sections of the agreement deal with certain taxation immunities, banking operations and administrative measures.

4. I am sending copies of this despatch to His Majesty's Ambassador at Paris and to the Department of Overseas Trade.

I have, &c.
GEORGE R. CLERK.

(1) Not printed.

C 6583/2496/19 No. 5.

Sir P. Ramsay to Sir John Simon.—(*Received July* 25.)

(No. 278.)

Sir, *Athens, July* 18, 1933.

WITH reference to my despatches Nos. 96 and 182 of the 9th March and the 12th May respectively, regarding relations between Greece and Turkey, I have the honour to inform you that the Turkish Minister for Foreign Affairs spent a few hours in Athens on the 16th July, on his way back to Angora from attending the World Economic Conference in London. Tevfik Rüştü Bey was met at the Piræus by the Minister of National Economy, who is also Acting Minister for Foreign Affairs, as well as by the Turkish Chargé d'Affaires. He subsequently went to M. Pesmazoglou's house at Kifissia, a suburb of Athens, and later proceeded to the Prime Minister's villa in the same suburb, where a small luncheon party was given.

2. I have the honour to transmit to you herewith the French text, as published in the *Messager d'Athènes*, of a communiqué issued to the press concerning Tevfik Rüştü's visit, together with a French translation of statements made to the press by Tevfik Rüştü and M. Tsaldaris respectively after their conversations.(1) I learn that, during these conversations, Tevfik Rüştü was most voluble, and inundated the Greek Ministers with political theories and proposals for a variety of pacts.

3. Tevfik Rüştü's visit has given rise to the usual plethora of flattering articles in the Greek press, filled with praise of the Græco-Turkish *entente*, and urging ever closer collaboration between the two countries. The reception accorded to a Greek naval training ship which is at present visiting Constantinople has given great pleasure, and has also furnished further grounds for eulogies of the Turkish Government.

(1) Not printed.

4. The proposal, which is stated to have been put forward by Tevfik Rüştü Bey, for a pact of all the Powers bordering on the Black Sea, which would take the place of the clause of the Straits Convention, signed at Lausanne in 1923, by which the Dardanelles were demilitarised, has given rise to lengthy comment in the Greek press, and various articles have appeared, urging that Greece should take part in the negotiations for the conclusion of this pact. General Dousmanis, who was Chief of Staff of the Greek army at the beginning of the war, and again on the return of King Constantine in 1920, has published an article in the semi-official *Messager d'Athènes*, which would not have appeared in that paper without the approval of the Greek Government. In this article General Dousmanis warns the Greek Government that it would be most dangerous for Greece if the proposed Black Sea Pact were concluded without their participation, on the ground that, although Greece does not border on the Black Sea, yet events in that region and in the Straits are of vital interest to her, both from the point of view of her commerce and of the possibility that her territory might be utilised, and neutrality violated, in the event of an attack on the Straits in a future war.

5. I have transmitted copy of this despatch to His Majesty's Ambassador at Constantinople.

I have, &c.
PATRICK RAMSAY.

[E 4131/2596/44] No. 6.

Sir G. Clerk to Sir John Simon.—(Received July 28.)

(No. 271.)

Sir, *Constantinople, July 18, 1933.*

I HAVE the honour to report that the semi-official *Milliyet* recently published an interesting article on Franco-Turkish relations. The writer stated that the World Economic Conference at London had brought Turkey and France much closer together. Tevfik Rüştü Bey, on his return journey to Turkey, had met with a cordial reception in official circles in Paris, and Celal Bey, the Turkish Minister of National Economy, was on the point of regularising commercial relations with France.

2. The article went on to say that Turkey attached great importance to the friendship of France, but pointed out that the tradition of friendship of which the French had been wont to talk now meant something quite different. The Turks were not a nation of jingoes, but they had lately become masters of their political and economic destinies, and they had a passionate regard for their self-respect. The Turkish nation was not hostile to French culture, but was not convinced that, as had been thought before the Great War, the only culture in Western Europe was French culture. Much was also to be learned from Germany, the Anglo-Saxon countries and Scandinavia. The writer concluded by saying that it had been thought necessary to stress these points at a time when a complete understanding with France was about to be realised.

3. I am sending a copy of this despatch to His Majesty's Ambassador in Paris.

I have, &c.
GEORGE R. CLERK

[E 4134/83/44] No. 7.

Sir G. Clerk to Sir John Simon.—(Received July 28.)

(No. 275.)

Sir, *Constantinople, July 19, 1933.*

WITH reference to paragraph 4 of the letter from the Board of Trade of the 28th June last, regarding the exemptions from quota restrictions accorded in Turkey to imports from Spain, a copy of which was enclosed in your despatch No. 252 of the 29th June, I have the honour to transmit to you herewith a memorandum, prepared by the commercial secretary to His Majesty's Embassy,

on the extent to which Spanish traders are likely to derive practical benefit from the Turco-Spanish Agreement at the expense of traders in the United Kingdom.

2. I am sending a copy of this despatch to His Majesty's Ambassador at Madrid and to the Department of Overseas Trade.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 7.

Memorandum on the Turco-Spanish Agreement.

ACCORDING to the customs returns for the first five months of the current year (a comparatively short period to serve as a basis upon which any useful deductions can be made as to the extent, if any, to which Spanish traders are likely to derive practical benefit from the Turco-Spanish agreement at the expense of traders in the United Kingdom), Spanish exports to Turkey amounted in value to £T.544,738, as compared to £T.57,844 during the corresponding period of the preceding year.

This increase is mainly derived from exports under the following headings :—

Cotton piece-goods (dyed and printed), grey shirtings and sheetings.

When the Turco-Spanish Treaty came into force in November last, preference was given to printed flannelettes, printed and coloured poplins, batistes (both striped and plain), madapolams, cabots, grey shirtings, canvas and satins of Spanish origin, not because these articles were cheaper than the British product, but simply because they could be imported free of quota restrictions, whereas the United Kingdom product could only be introduced under a quota system, or on a compensation basis, entailing in this latter case payment of a heavy commission by the importer to exporters of Turkish produce representing 25 to 30 per cent.

At a later date, however, these commission rates were greatly reduced with the result that the importer of British products on a compensation basis is now able to obtain export declarations of Turkish produce, endorsed in his name, on a payment of commission representing from 8 to 10 per cent.

This drop in commission, together with the superior quality of the British product and competitive prices, will, it is believed, enable us to maintain our position, in any case for the time being, and, moreover, Spanish manufacturers are fully engaged in supplying their own market and that of Latin America, and are not in any case in a position to grant the same terms as regards credit and delivery as the United Kingdom.

It is, therefore, considered that the concessions granted to Spanish products, such as cotton goods, will not prejudice our trade to any extent, but there are bound to be certain cases in which the facility granted to Spain will react to our detriment.

For instance, a local agent has written to me as follows :—

" We are the local agents of one of the leading tartaric acid, citric acid, cream of tartar and potassium sodæ tartrate manufacturers in the United Kingdom, and our druggist clients before placing their requirements with our principals are obliged to apply to the Ministry of Public Health at Angora, in accordance with the law, for permit to order the goods, and if this is granted, have to again apply with an invoice certified by the London Chamber of Commerce for permit to import the same goods. Failing this, these chemicals cannot be imported into this country. With Spain, however, the position is very different. Druggists do not have to apply to the public health authorities for the permits referred to above, and simply order the goods, which are allowed into the country free of all quotas, as a result of the trade agreement. It is true that no quotas have been fixed for chemicals, but as the Ministry of Health work on a six monthly budget of £T.1,500,000, which has been allotted to them by the Ministry of National Economy to cover imports of all drugs, pharmaceutical specialities, accessories, &c., druggists when applying for permit to order their requirements sometimes have their applications turned down, and in a number of cases, if their applications are not actually turned down, the quantities they ask for are

considerably reduced. We know of druggists who applied for permit to order 1,000 kilog. of tartaric acid, only received permit for half the quantity. Spanish manufacturers benefit by the agreement in so much that buyers in this market can place their chemical requirements with them without having to worry themselves about obtaining permit from Angora."

Other cases of a similar nature may arise, and, therefore, whilst it is not believed that our trade with this country will be affected to any extent by the Spanish agreement, the position would be grave if other countries, able to compete with us in prices and credits, obtain by special agreements treatment similar to that accorded to Spain.

[E 4135/83/44] No. 8.

Sir G. Clerk to Sir John Simon.—(*Received July* 28.)

(No. 276.)

HIS Majesty's representative in Turkey presents his compliments to His Majesty's Secretary of State for Foreign Affairs and has the honour to transmit herewith copy of his note to the Turkish Minister for Foreign Affairs, dated the 20th July, respecting Turkish import restrictions.

Constantinople, July 20, 1933.

Enclosure in No. 8.

Sir G. Clerk to Tevfik Rüstü Bey.

British Embassy in Turkey, July 20, 1933.

M. le Ministre,

I HAVE the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to invite your Excellency's attention to the following considerations regarding the restrictions at present in force on the import of goods into Turkey and their relation to trade between Turkey and the United Kingdom.

The Turkish Government is aware that the United Kingdom ranks high among Turkey's export markets, a fact which is clearly demonstrated in the enclosed statement(1) taken from the official Turkish trade returns, of the value of Turkish exports to the principal importing countries during the years 1930 and 1931. It is also aware that no restrictions are placed on the importation of Turkish raw or manufactured produce into the United Kingdom, nor on payments to Turkey. His Majesty's Government in the United Kingdom consider that these facts, apart from all questions of treaty rights, entitle the commerce of the United Kingdom to receive at the hands of the Turkish Government the most-favoured treatment possible.

For this reason His Majesty's Government observe with concern that certain countries have apparently been granted the right to export raw or manufactured goods to Turkey without restrictions in return for the abatement of restrictions previously imposed on payments to Turkey or on account of the absence of restrictions on the import of Turkish goods. In this connexion, His Majesty's Government have in mind three specific measures recently taken by the Turkish Government, namely :—

1. By virtue of Decree No. 13757 of the 14th January, 1933, the Council of Ministers authorised the entry into Turkey of certain raw and manufactured commodities from the United States of America free of quota restrictions.
2. By virtue of a commercial agreement between Turkey and Greece signed on the 9th May, 1933, the Turkish Government has authorised the entry, free of quota restrictions, of certain raw and manufactured commodities from Greece.

(1) Not printed.

3. By virtue of Decree No. 14431 of the 23rd May, 1933, quotas in respect of certain raw and manufactured commodities are allocated to the United States of America, under List M, which bear no relation to the share in these commodities which the United States of America have hitherto enjoyed in Turkey.

   Moreover, the United Kingdom's share of the total allocation falls short of the United Kingdom's share of the total Turkish imports in the corresponding quarters of 1930 and 1931 in the case of the two most important items of United Kingdom trade on the list, namely, items No. 378 (*c*) and 381 (*c*), and also in the case of No. 381 (*b*). A tabular statement showing the position in this respect forms the second enclosure in this note.(1)

His Majesty's Government consider that these measures militate against the principle of equity enunciated in the second paragraph of this note. But quite apart from this, they feel obliged to point out that, having regard to article 18 of the Anglo-Turkish Commercial Treaty of 1930, they consider that in respect of every class of commodity which the United Kingdom exports to Turkey, the United Kingdom is entitled to treatment, whether as regards allocation of or exemption from quotas, no less favourable than that accorded to any other country which exports like goods to Turkey. They consider, moreover, that the share of quotas allocated to the United Kingdom for each quarter should in every case bear at least the same ratio to the total permitted imports from all countries as the ratio of United Kingdom imports to total imports during some reasonable basic period before the Turkish quota restrictions were imposed, and, furthermore, that the allocations granted to other countries, including the United States of America and Greece, should not be such as to make impossible the application of the foregoing principle in the granting of allocations to the United Kingdom.

I have the honour to request your Excellency to be so good as to place the considerations set forth in this note before the competent department of the Turkish Government, and I am to express the confident hope of His Majesty's Government that the Turkish Government, recognising its obligations under the Anglo-Turkish Commercial Treaty, will forthwith take the necessary steps to ensure that products from the United Kingdom shall receive treatment no less favourable than that which has been accorded to products from the United States of America and Greece.

I have, &c.
GEORGE R. CLERK.

(1) Not printed.

[E 4286/289/44] No. 9.

Lord Tyrrell to Sir John Simon.—(*Received August* 2.)

(No. 1098 (C).)

Sir,

Paris, July 31, 1933.

WITH reference to Angora despatch No. 68 of the 27th February, a copy of which was forwarded to this Embassy, I have the honour to acquaint you that a *modus vivendi* has been concluded between France and Turkey, which makes certain changes in the Franco-Turkish Commercial Convention of the 29th August, 1929, and prolongs its application for another six months. The arrangement was signed, on behalf of France by M. Paul-Boncour, Minister for Foreign Affairs, and M. Serre, Minister for Commerce and Industry, and on behalf of Turkey by M. Mahmout Celal Bey, Minister for National Economy, and M. Suat Bey, the Turkish Ambassador.

2. It is stated that under this arrangement both France and Turkey regain their freedom as regards the items in their customs tariffs which were consolidated by the convention of 1929. As regards, however, the products on which the Turkish duties have recently been increased, France retains the benefit of the duties fixed by the convention of 1929. Provision has also been made for mutual facilities respecting commercial exchanges between the two countries, notably by the conclusion of a clearing agreement.

I have, &c.
TYRRELL.

[E 4517/289/44] No. 10.

Sir G. Clerk to Sir John Simon. (*Received August* 11.)

(No. 293.)

Sir, *Constantinople, August* 1, 1933.

I HAVE the honour to report that a Turco-Swedish Trade Agreement was effected at Angora on the 8th June last by an exchange of letters between the Acting Minister for Foreign Affairs and the Swedish Minister. A copy of M. Boheman's letter to Sükrü Kaya Bey is enclosed herein. The agreement, which is valid for one year, entered into force on the 1st July last.

2. I also enclose a memorandum by the commercial secretary to His Majesty's Embassy on the principal features of interest in the agreement. It will be observed that, in Colonel Woods's opinion, His Majesty's Government have grounds for protest as a result of certain concessions granted to Sweden, as indicated in paragraphs (3) and (4) of the memorandum, and I shall be grateful to learn in due course whether you wish me to approach the Turkish Government in the matter.

3. I am sending copies of this despatch to His Majesty's Minister at Stockholm and to the Department of Overseas Trade.

I have, &c.
GEORGE R. CLERK.

Enclosure 1 in No. 10.

M. Boheman to Sükrü Kaya Bey.

M. le Ministre, *Ankara, le 8 juin* 1933.

J'AI l'honneur de vous faire savoir, d'ordre de mon Gouvernement, que ce dernier est d'accord pour faciliter les échanges commerciaux entre les deux pays en se basant sur le principe de la balance nette des paiements.

De part et d'autre, il sera tenu compte à cet effet des dispositions suivantes :

(*a*) Les produits du sol ou de l'industrie turcs, exportés en Suède, n'y étant soumis à aucune restriction de devise ou mesure de contingentement, le présent arrangement recevra les modifications nécessaires au cas où cette situation serait changée. La Suède facilitera notamment le placement sur son territoire du chrome et du tabac turcs.

(*b*) Tout en gardant le bénéfice des avantages assurés aux importations des pays étrangers par décrets de contingentement général, la Suède aura de plus la faculté d'introduire librement en Turquie les produits originaires et en provenance de son sol ou de son industrie, dans les limites prévues sur la nomenclature ci-jointe.

(*c*) Les commandes qui seront passées aux firmes suédoises par les établissements d'Etat en Turquie seront affranchies de toutes obligations de compensation jusqu'à concurrence d'un montant global de 500,000 livres turques.

Il sera tenu compte, le cas échéant, du reliquat inutilisé de la somme ci-haut déterminée pour permettre aux maisons suédoises d'exporter de Turquie, sur une mesure correspondante, leurs avoirs fixés en livres turques, s'il est, toutefois, constaté que le commerce entre les deux pays se développe d'une façon satisfaisante aux intérêts de la Turquie dans les limites du présent accord.

C'est la Légation de Suède à Ankara qui adressera les demandes se rapportant aux opérations impliquées par les deux alinéas précédents du présent paragraphe.

(*d*) Les parties contractantes présument que, par suite des facilités réciproques réservées par le présent accord, les exportations turques en Suède s'élèveront à 1,600,000 livres turques et les importations suédoises en Turquie à 1,200,000 livres turques.

Il sera procédé à un établissement de comptes par périodes semestrielles en se basant sur les statistiques turques, pour s'assurer du maintien de la proportion des échanges d'après les niveaux ci-haut prévus.

Si un écart sensible menace de rupture cette proportion aux dépens de la Turquie, celle-ci aura, au cours du second semestre, la faculté de ralentir ou de restreindre les importations suédoises par des mesures appropriées.

Au cas où l'écart serait défavorable à la Suède, dans les mêmes conditions, le Gouvernement turc examinera avec bienveillance les suggestions suédoises.

(*e*) En vue d'assurer à la Turquie les moyens de compensation pour lui permettre de réaliser la balance de ses paiements, la Suède renonce à réclamer les contre-parties :

1. De l'excédent des échanges commerciaux déterminés au paragraphe (*d*);
2. De la valeur des marchandises turques achetées dans les ports libres de transit et introduites par cette voie en Suède.

(*f*) La valeur des produits turco-suédois faisant l'objet des contrats de compensation privée ne rentre pas dans les cadres du présent arrangement.

Un compte spécial sera tenu à cet effet.

(*g*) La Suède se réserve le droit de réclamer, sous réserve de réaliser les mêmes conditions, tout régime commercial plus favorable que la Turquie pourrait accorder à une tierce Puissance.

(*h*) Le présent accord, valable pour une période d'un an, entrera en vigueur le 1er juillet 1933.

Je saisis, &c.
BOHEMAN.

Annex to Enclosure 1.

		Livres turques.
Liste "V"—		
651/652	... ...	100,000
655/666	... ...	50,000
Liste "M"—		
529 *b*	... ...	115,000
552 *b*	... ...	35,000

Enclosure 2 in No. 10.

Memorandum on the Turco-Swedish Agreement.

THE principal features of interest are the following :—

(1) *Sweden undertakes to facilitate the disposal in Sweden of chrome and tobacco.*

(2) *Sweden, whilst maintaining her right to import under the quota system of imports, can introduce the following articles free of restrictions:—*

Tariff Nos. 651 *and* 652 *to the value of* £T. 100,000

651 Moteurs à pétrole, benzine, dérivé de pétrole ou à autres combustibles (moteurs électriques exclus), moteurs mobiles (montés ou non montés) :

L'ensemble pesant :

A. Jusqu'à 50 kilog.
B. 50 kilog. et au-dessus jusqu'à 100 kilog.
C. 100 „ „ „ „ 500 „
D. 500 „ „ „ „ 1,500 „
E. 1,500 „ „ „ „ 5,000 „
F. 5,000 „ „ „

652 Moteurs électriques (électromoteurs), dynamos (alternatifs, continus), transformateurs, commutateurs, résistances, bobines, magnétos, bougies, convertisseurs, distributeurs, ventilateurs, aspirateurs et similaires (montés ou non montés) :

L'ensemble pesant :

A. Jusqu'à 10 kilog.
B. 10 kilog. et au-dessus jusqu'à 50 kilog.
C. 50 „ „ „ „ 1,000 „
D. 1,000 „ „ „ „ 2,000 „
E. 2,000 „ „ „ „ 5,000 „
F. 5,000 „ „ „

Tariff Nos. 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665 *and* 666 *to the value of* £T. 50,000.

655 Parties non dénommées ailleurs des machines ci-dessus.

656 Machines pour toutes les phases de la fabrication du papier et leurs parties (montées ou non).

657 Machines à travailler les matières textiles et leurs parties, entre autres, machines à peigner, à carder ou à déchiqueter, à égrener le coton ou la soie, à tordre, à tisser, à apprêter, à sécher, à teindre et autres (montées ou non montées).

658 Machines à tourner, à scier, à raboter, à emboutir, à tréfiler, marteaux-pilons, machines à fabriquer des clous, des boîtes en fer blanc, le verre et machines utilisées dans la verrerie, machines pour fabriquer le ciment, les moules pour ciment, machines à concasser la pierre et autres machines et leurs parties servant à la fabrication d'objets avec des métaux, de la terre et du bois (montées ou non montées) :

A. Pesant jusqu'à 250 kilog.
B. Pesant de 250 jusqu'à 2,000 kilog.
C. Pesant 2,000 kilog. et au-dessus.

659 Machines à fendre, à laver, à gratter, à brosser les peaux, machines à fabriquer des courroies et des lanières, machines à clouer les semelles et talons, et autres machines de toutes sortes et parties de machines employées dans la préparation de la peau et la fabrication de chaussures (montées ou non montées) (à l'exclusion de la machine à coudre les chaussures).

660 Machines à coudre (à coudre les vêtements, chapeaux, chaussures et autres), machines à broder ou à tulle, leurs parties mécaniques et pièces de rechange (à l'exclusion des aiguilles).

661 Machines à typographie, lithographie, à relier, à fondre et à composer les caractères et autres machines d'imprimerie et leurs parties.

662 Machines à écrire, à calculer, à enregistrer, à grouper, à classer, et leurs parties :

A. Pesant jusqu'à 5 kilog.
B. Pesant 5 kilog. et au-dessus.

663 Tables, plateaux, couvercles et pieds de machines à écrire et à coudre.

664 Machines, outils et instruments de toutes sortes utilisés dans l'agriculture, et leurs parties.

NOTE.—Le Ministère de l'Économie désigne les catégories de machines, outils et instruments.

665 Pompes de toutes espèces et leurs parties, pour liquides, gaz, air et autres.

666 Machines de meunerie, machines à pétrir, à fabriquer et à préparer des pâtes, bonbons, saucisses et autres comestibles, machines à glace, à stériliser, à pasteuriser, machines frigorifiques, machines à laver et remplir les bouteilles, grues, machines à torréfier, à moudre, machines à lessiver, à repasser et autres machines et parties non dénommées dans le Tarif (montées ou non montées) :

A.	L'ensemble pesant jusqu'à 50 kilog.					
B.	,,	,,	de 50 kilog.	jusqu'à	150 kilog.	
C.	,,	,,	de 150 ,,	,,	500	,,
D.	,,	,,	de 500 ,,	,,	2,000	,,
E.	,,	,,	de 2,000 ,,	,,	10,000	,,
F.	,,	,,	plus de 10,000 kilog.			

In the case of these tariff items an import licence is not necessary, whereas for other countries the prior sanction of State Departments must be obtained.

(3) *The quota allocations to Sweden have been considerably increased, in List "M" (quota allocations by country of origin).*

Tariff No. 529 (*b*) *to the value of* £T. 115,000.

529 Tuyaux de fer de toutes sortes et leurs raccords :

B. En fer ou en acier.

Tariff No. 552 (*b*) *to the value of* £T. 35,000.

552 Articles de quincaillerie non dénommés ailleurs dans le Tarif, tels que ustensils de cuisine et de table, services à café et à thé, lampes et parties de lampes, fers à repasser, moulins à café, machines à hacher, robinets, seaux, baignoires, objets de cabinet, pelles et pinces à feu, cloches d'animaux, étriers, capsules de bouteille et autres articles similaires :

B. Peints, vernis, polis ou galvanisés d'un autre métal.

(4) *Swedish goods supplied to Turkish State Departments are not subjected to compensation provided their total value does not exceed* £T. 500,000.

As Sweden will derive some advantage over us by virtue of the concessions granted under paragraphs (3) and (4), I am of opinion that we should protest against these concessions on principle.

E 4522/289/44 No. 11.

Sir G. Clerk to Sir John Simon.—(*Received August* 11.)

(No. 297.)

Sir, *Constantinople, August* 3, 1933.

WITH reference to my despatch No. 68 of the 27th February last, regarding the denunciation by the French Government of the Turco-French Treaty of Commerce and Navigation, I have the honour to report that the commercial secretary to His Majesty's Embassy has been informed by his French colleague that the above agreement, which lapses on the 15th instant, will continue to remain in force, with certain slight amendments, for a further period of six months under the terms of a *modus vivendi* recently signed at Paris.

2. In accordance with the latter agreement the contracting parties renounce all claims to most-favoured-nation treatment as regards the quota system; such treatment can, therefore, only be claimed in respect of navigation, residence, tariffs and customs legislation. Lists A and B appended to the Turco-French Treaty of Commerce are maintained. The consolidated and reduced rates specified therein, though modified to conform to the new customs classification and rates, do not represent an increase in duties, since the reductions are maintained more or less at their present level.

3. M. Pessereau added that a clearing agreement also recently signed in Paris between France and Turkey represents a system whereby exchange operations are eliminated: exporters in France receive payment in francs from the clearing house in France, and exporters in Turkey receive payment in Turkish pounds from their clearing house in this country. If at the end of a given period the value of French exports exceeds the value of Turkish exports, an adjustment of accounts is effected by the purchase of Turkish tobacco.

4. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's Ambassador in Paris, who will doubtless furnish copies of the new agreements, the texts of which have not yet reached the French Embassy, in due course.

I have, &c.
GEORGE R. CLERK.

P.S.—Colonel Woods has just received from his French colleague the additional information that under the new Franco-Turkish agreements all manufactures of French origin figuring in the American list (see my despatch No. 279 of the 20th July, 1933), may be introduced into Turkey free of quota restrictions.

G. R. C.

[E 4523/83/44] No. 12.

Sir G. Clerk to Sir John Simon.—(Received August 11.)

(No. 301.)

Sir, *Constantinople, August 5, 1933.*

I HAVE the honour to invite reference to my despatch No. 276 of the 20th July last, with which I transmitted a copy of a note to the Turkish Government protesting, in accordance with the instructions contained in your telegram No. 4 of the 11th July, against certain breaches of the most-favoured-nation treatment to which exports from the United Kingdom are entitled under article 16 of the Anglo-Turkish Commercial Treaty.

2. The Minister for Foreign Affairs replied to my representations in a note dated the 31st July, an example of official expedition which, considering the importance of the question at issue and the fact that the Minister of National Economy and his experts had only recently returned from London and Paris, is without parallel in my experience of this country, and suggests that the note is from a stock draft utilised to meet all protests on the same lines as our own.

3. It will be observed from the copy of the note, enclosed herein, that it neither expressly admits nor denies that there have been breaches, on the Turkish side, of the most-favoured-nation provisions of the treaty, but maintains that Turkey's present commercial policy is necessary to her economic well-being, and goes on to suggest negotiations with a view to the privileges at present enjoyed by the United States of America (and presumably also by Greece and any other countries in a similar position) being accorded to the United Kingdom on the same conditions.

4. I also enclose a memorandum by the commercial secretary to His Majesty's Embassy on the practical aspect of the matter as it is left by the Turkish note, and I shall be grateful for your instructions as to the nature of the next communication to be made to the Turkish Government on the subject.

5. I am sending copies of this despatch to His Majesty's representatives at Washington and Athens, and to the Department of Overseas Trade.

I have, &c.

GEORGE R. CLERK.

Enclosure 1 in No. 12.

Turkish Minister for Foreign Affairs to British Ambassador.

M. l'Ambassadeur, *Ankara, le 31 juillet 1933.*

J'AI eu l'honneur de recevoir la note que votre Excellence a bien voulu me faire parvenir en date du 20 juillet 1933 relativement aux avantages et facilités d'ordre commercial accordés par le Gouvernement de la République à certains pays étrangers.

Dans cette communication votre Excellence, faisant ressortir le fait que la Grande-Bretagne demeure un des principaux acheteurs de produits turcs, demande que les avantages commerciaux accordés à de tierces Puissances soient étendues au commerce britannique à l'effet de lui assurer le traitement favorable prévu par la Convention commerciale turco-anglaise de 1930.

En réponse à cette communication, j'ai l'honneur de faire connaître à votre Excellence que la politique commerciale de la Turquie est guidée par le souci de réaliser l'équilibre de sa balance commerciale et de la balance de ses paiements à l'étranger. Le système de contingentements et de réduction des importations introduit en Turquie répond au désir de ne pas accentuer le déséquilibre de ces balances et constitue, en fait, l'unique et efficace moyen de conjurer les effets de la crise économique mondiale. Le Gouvernement de la République s'est donc trouvé dans l'impérieuse obligation de prendre, dans le domaine de la politique commerciale, certaines initiatives propres à réglementer les échanges commerciaux et à assurer par des arrangements spéciaux les avantages que le commerce d'exportation turc a su acquérir sur les marchés de différents pays étrangers.

Les arrangements de cette nature conclus avec la Grèce et prescrits pour les États-Unis de l'Amérique du Nord, envers lesquels la balance commerciale turque est largement active, n'ont d'autre but que d'affermir la marge importante réalisée au profit des exportations turques sur les marchés de ces deux pays.

Préoccupé uniquement d'assurer l'équilibre de sa balance de paiement, le Gouvernement de la République ne refuserait guère, à charge de lui assurer le règlement inconditionnel en devises de ses créances résultant de transactions commerciales et à condition d'ajuster le plafond des échanges réciproques au volume des exportations turques en Angleterre, d'accorder également et dès à présent à la Grande-Bretagne, en tenant compte de la balance de paiements, le bénéfice de la liste concédée aux États-Unis de l'Amérique du Nord et à entamer des négociations devant aboutir à ces résultats.

Je vous prie, M. l'Ambassadeur, de vouloir bien porter ce qui précède à la connaissance de votre Gouvernement et d'agréer, &c.

DR. TEVFIK RÜSTÜ.

Enclosure 2 in No. 12.

Memorandum.

IN a few words, the Turkish Government will be prepared to grant to us the concessions made to the United States of America, to Greece and to other countries, provided always that no exchange restrictions are imposed in the United Kingdom and given that the balance of payment between the United Kingdom and Turkey is maintained by a formal agreement.

The Ministry of National Economy is bent on eliminating the most-favoured-nation treatment clause in so far as any alleviation of the quota system is concerned, or of any other system providing for import restrictions with a view to the equalisation of the country's trade balance and the stabilisation of Turkish currency.

This policy has from a Turkish point of view everything to recommend it, and by the recognition of our claims to equality of treatment with the United States of America and Greece, and now with France, the Minister of National Economy would compromise the success of their economic programme which has assured to date the stabilisation of Turkish currency. My solicitude for the welfare of Turkey's economic position is not inspired by altruism, but by the realisation that a depreciation of the lira and a marked deficit in Turkey's trade balance would be extremely prejudicial to us.

The French have, I understand, agreed to waive any claim to most-favoured-nation treatment in respect of the present quota system, and by a clearing arrangement have accepted a system based on an equalisation of payments. Other countries have also, by bilateral arrangements, agreed to a similar system of trade exchanges, and the Turkish Government by its present policy hopes to drive other countries to similar agreements.

I have always considered that, under the present economic policy of this country, our position is a difficult one and I should, therefore, feel inclined to let the matter drop, unless we can negotiate a bilateral agreement which would safeguard us against the disadvantages to which attention has already been drawn from time to time by this office.

Under present conditions, which permit of the introduction of large quantities of goods outside the quotas, our position has not been seriously affected to date as regards our staple exports to this country, which for the first six months of the current year slightly exceed those during the corresponding period in 1931, when the quota system was not in force.

It would appear to me that there are three situations to be envisaged :—

(1) A rigid insistence on unconditional most-favoured-nation treatment—I fear that the Turkish Government will maintain their present attitude.

(2) The *status quo*, provided that our trade is not further handicapped by :—

  (*a*) An extension and manipulation of List "M" in such a manner as to discriminate against our trade;

  (*b*) By a change in the present quota system involving the cancellation of List "A" (articles free of quota restriction) and the withdrawal of the present facility of introducing goods outside the quotas on a compensation basis.

(3) A bilateral agreement based on the equalisation of payments.

If we are driven into an unfavourable position under (2) it seems to me that we shall have to accept the third alternative in some form or another, which, unfortunately, would expose us to the possible drop in the volume of our export trade with Turkey as the result of the decline in the United Kingdom's imports from Turkey. Had we, like other countries, a system of monopolies, we could redress the balance by a Government purchase of Turkish produce.

H. W.

August 3, 1933.

E 4524/4524/44 No. 13.

Sir G. Clerk to Sir John Simon.—(*Received August* 11.)

(No. 302.)

Sir, *Constantinople, August* 5, 1933.

I HAVE the honour to transmit to you herewith a despatch which has been addressed to me by the military attaché to His Majesty's Embassy, regarding recent visits by himself and his colleagues to military units at Polatli and Angora at the invitation of the Turkish General Staff.

2. I fully agree with Major O'Leary that these visits mark a definite advance in the relations between the General Staff and the foreign military attachés in Turkey, and also with his estimate of the Turkish army contained in paragraph 7 of the despatch.

I have, &c.
GEORGE R. CLERK.

Enclosure in No. 13.

Major O'Leary to Sir George Clerk.

(No. 1/33.)

Sir, *Constantinople, July* 29, 1933.

I HAVE the honour to report that the Turkish General Staff invited all the military attachés accredited to Turkey to visit the 8th Regiment of Artillery at Polatli and the cavalry squadrons of the Guard Regiment at Ankara early last week.

2. We were received at Polatli Station by Lieut.-Colonel Muzaffer, commanding the artillery regiment, and after a cup of coffee in the mess mounted the horses put at our disposal and inspected the battery on parade. We then rode out with the battery, which carried out a simple tactical exercise, lasting about two hours. We discussed the situation with the colonel and his staff, and assisted at his criticism of the work of the battery. We then rode back to barracks, stopping to pay our respects at the cemetery and monument commemorating the War of Independence.

3. Lunch, at which the sub-prefect of Polatli as well as all the officers of the small garrison were present, was prepared for us in the officers' mess. The military attaché to the Soviet Embassy, who knows little French, asked me to reply to the short speech in which Lieut.-Colonel Muzaffer welcomed us. Lunch lasted two hours, and we had still to wait till 5 o'clock for our train, but the Turkish officers spared no efforts to make the time pass agreeably, with selections by the regimental band, a gramophone concert and frequent refreshments. Most of the officers accompanied us to the station on our departure.

4. Our experiences at Ankara two days later were very similar, with the exception that we lunched, not in the regimental mess, but in the Sports Club of the Guard Regiment. Here, as at Polatli, we found the most friendly reception. Only one squadron was involved in the exercise, and the party at lunch was much smaller. On this occasion General Hekker found the courage to reply himself to the commanding officer's speech.

5. This is not the first time that I or my colleagues have been afforded a glimpse of the Turkish army at work. Most of us have visited the staff college or the military school, and I was invited some years ago to assist at a tactical

exercise of the infantry regiment in Scutari. But the present occasion marks a definite advance in our relations, in that we were received in the officers' mess of each regiment as comrades and given as cordial a welcome as we could expect to find in any foreign army.

6. Little information of military value could be gained from these two exercises, as the units concerned give no measure of the average value of a Turkish regiment. The Guard Regiment is very much a *corps d'élite*, while the 8th Artillery, commanded by a particularly active officer of the General Staff, takes part each year in the annual review on the 29th October, and is probably better equipped and more efficient than any other unit of the Turkish artillery. The two schemes, moreover, were of so elementary a nature and had been so carefully rehearsed that they furnished no real test of the judgment of the commanders or the capabilities of the troops.

7. Assuming, however, that these two demonstrations represent the highest degree of efficiency attainable by the Turkish army at present, I saw nothing to cause me to modify the estimate I had already formed of its value for war. The fighting qualities and powers of resistance of the Turkish soldier are superior, in my opinion, to those of any of his neighbours, except perhaps the Bulgar, but although the General Staff anxiously studies the scientific weapons and complex technique of modern warfare, it will be long before the regimental soldier attains the standard of efficiency necessary to take full advantage of these devices. Without technical assistance from a more highly-trained army, I do not think the General Staff capable of successfully directing elaborate movements against the forces of a major Power.

8. I am submitting directly to the War Office a report on any details of purely military interest which I gathered during these visits.

I have, &c.
B. J. O'LEARY.

E 4525/262/44 No. 14.

Sir G. Clerk to Sir John Simon.—(*Received August* 11.)

(No. 303.)

Sir, *Constantinople, August* 3, 1933.

I HAVE the honour to report that the Minister for Foreign Affairs, who had come down from Angora for three days, paid me a visit this morning.

2. His Excellency, possibly because of the numerous engagements he had to fulfil in a very limited time, was less discursive than usual and avoided all discussion of current questions. He apparently wished his visit to be taken as a form of thanks for his reception in London by yourself and Sir Robert Vansittart and for the general hospitality he had received.

3. He said that he had only three points of a political nature to mention to me:—

(1) He had explained his point of view about the cancellation of the Treaty of Angora to you, and it had been agreed to let the question lie for the present and later on to consider the negotiation of a new treaty.

(2) If you were able to be present at Geneva in September, he would also go there in order to continue the discussions about the remilitarisation of the Straits. Failing your presence, he would remain here to entertain the many statesmen who are expected to visit Angora in the autumn.

(3) He was sorry to say that in all the various committees and commissions of the Economic Conference the Turkish delegation had "brillée par son absence." He had regretted this, because he had felt that Turkey might have been able to render some modest but useful help to the British delegation, but as it was his delegation had remained passive.

3. Having thus delivered himself of his little grievance, Tevfik Rüştü Bey devoted the rest of his visit to grateful eulogies of London, the Foreign Office and its Chief, the Secretary for Scotland and the English climate.

I have, &c.
GEORGE R. CLERK.

[E 4792/83/44] No. 15.

Mr. Newton to Sir John Simon.—(*Received August* 18.)

(No. 795.)

Sir, *Berlin, August* 11, 1933.

I HAVE the honour to report that, according to the press, an agreement regarding foreign exchange transactions between Germany and Turkey was signed in Berlin on the 10th August, 1933, by the Turkish Minister for Economic Affairs, Djelal Bey, and the German Under-Secretary of State for Foreign Affairs, Herr von Bülow.

2. The agreement provides that payments in respect of imports and exports between the two countries shall be adjusted by means of special accounts, which will be kept by the Reichsbank and the Banque centrale de la Turquie. It is stated that the agreement will considerably facilitate trade and commercial payments between Germany and Turkey and that there will be no further necessity to make payments other than in the national currency concerned.

3. In consideration of this arrangement, the Turkish Government are reported to have expressed their willingness to remove existing quota restrictions for various German exports. Up to the present the Turkish authorities have only released sufficient foreign exchange to pay for a definite quota of imports.

4. A copy of this despatch has been sent to the Department of Overseas Trade.

I have, &c.
B. C. NEWTON.

[E 4958/1282/44] No. 16.

Sir G. Clerk to Sir John Simon.—(*Received August* 25.)

(No. 315.)

Sir, *Constantinople, August* 15, 1933.

WITH reference to my despatch No. 78 of the 2nd March, 1933, regarding the attacks made by Turkish students on the offices of the International Sleeping Car Company in Pera and Galata as a protest against the dismissal of a Turkish employee by M. Zannone, the manager of the Pera branch of the company, I have the honour to report that the judicial proceedings taken against M. Zannone on a charge of insulting the Turkish language have now been concluded by the acquittal of M. Zannone, on the ground that the charge was not proved.

2. In my despatch under reference I described at length the attitude taken up at the time of the incident by the newspaper *République*, and its vociferously xenophobe editor, Yunus Nadi Bey. In reporting the acquittal of M. Zannone to-day, this newspaper omits all reference to its previous outbursts of outraged patriotism, and is content to record its great satisfaction at the outcome of the proceedings, merely remarking that the decision of the court proves that M. Zannone did not nourish any ill-feeling towards the country to which he was appointed, and demonstrates the perfect impartiality of the Turkish courts of justice.

I have, &c.
GEORGE R. CLERK.

[E 4960/1506/44] No. 17.

Sir G. Clerk to Sir John Simon.—(*Received August* 25.)

(No. 317.)

Sir, *Constantinople, August* 15, 1933.

I HAVE the honour to report that a number of German and American ladies, who were engaged in philanthropic work at Mardin and Maras, in the frontier district of South-Eastern Turkey, were recently notified by the local authorities that they must leave the neighbourhood without delay. No reason was given for this order, but the ladies were left with the impression that the military authorities anticipated frontier disturbances, as the Kurds or Nestorians had become restless.

2. On arrival at Constantinople the ladies learnt that an order had been issued for their expulsion from Turkey, and though, owing to the efforts of the American Embassy, it seems that the American ladies, Miss Fenenga and Miss Cold, are remaining for the present, one at Mardin and the other at Constantinople, the five or six German sisters (who are members of the "Deutsche Hilfsbund für Liebeswerk," a Protestant missionary society) are leaving at once for Syria.

3. The German Embassy understand that the suspicions of the military authorities were aroused in this case by the fact that several Turks in the neighbourhood of Maras recently became Christians. The conversion of these persons was discovered when one of them was called up for military service; and suspicion at once fastened upon the foreign ladies, as being the only Christians in the neighbourhood. The greater severity shown towards the German ladies is doubtless due to the fact that they are members of a religious sisterhood, which is not the case with their American friends, who are simply Congregationalists. The sisters stoutly deny that they had engaged in any proselytising activity. Their work, they allege, was purely philanthropic, being devoted largely to the care of the sick, &c. They knew the neighbourhood of Maras well, having been there for several years, and it is probable that their absence will be felt and regretted by the local population. As the persons who will suffer are poor and uninfluential, it is unfortunately improbable that the authorities will draw the moral that, in this as in other cases, xenophobia does not pay. I may add that I am by no means convinced that the various cases of xenophobia which have recently come to the fore in Turkey are unconnected. It appears to me, as also to my military attaché, that the General Staff grow more suspicious of foreigners from year to year.

I have, &c.
GEORGE R. CLERK.

[E 4962/533/44] No. 18.

Sir G. Clerk to Sir John Simon.—(*Received August* 25.)

(No. 321.)

Sir, *Constantinople, August* 16, 1933.

WITH reference to my despatch No. 326 of the 1st October, 1932, I have the honour to report that it was announced on the 14th instant that Reşit Galip Bey, the Minister of Public Instruction, had resigned on grounds of ill-health, and that Refik Bey, Minister of Health, had been appointed to act in his stead pending the bestowal elsewhere of the vacant portfolio. That ill-health is the true reason of the Minister's disappearance from the public scene no one is prepared to believe, even though the fact that he was recently involved in what might have been a serious bathing accident lends a certain plausibility—sufficient for the Gazi—to the ostensible cause.

2. It is, indeed, an open secret that relations between this Minister and the Head of the State have for long been deteriorating. The Gazi has never really liked Reşit Galip Bey since the latter, some three or four years ago, prevented him from carrying out a too generous promise of financial assistance made in a moment of exhilaration to the Russian proprietress of a Stambul restaurant. When the President approved his appointment last year to the high position which he has just forfeited, it was chiefly, as stated in my despatch No. 326 of the 1st October, 1932, because he wanted someone young, ambitious, energetic, and capable to push through the reform of the Turkish language, which he had so much at heart. (Incidentally, Reşit Galip Bey was one of the two vice-presidents of the first Turkish Linguistic Congress, held last summer at Istanbul.)

3. Unfortunately for his credit with the Gazi, Reşit Galip Bey's reforming zeal appears to have taken a somewhat different direction to that required of it, and instead of devoting himself to the elimination of all foreign words from the Turkish language, the Minister gave most of his time and energy to the infinitely more profitable task of reorganising higher education in Turkey.

4. This task, though doubtless the President appreciates its importance, is less close to his heart than that of language reform, and as the work of reorganisa-

tion involved wholesale dismissals and the making of many enemies, some of whom doubtless had influence in the highest quarters, the eventual downfall of the Minister was a foregone conclusion. A lack of consideration for the Gazi's feelings would appear, however, to have been the immediate cause of his downfall. Thus, without consulting his Excellency or anybody else, he recently appointed himself president of the newly-formed "Institute of the (Kemalist) Revolution." I am told that the Gazi on learning of this summoned him to Yalova on the Gulf of Ismit, where his Excellency is at present in residence, and reproached him bitterly for his action, pointing out that he might at least have asked him, Mustafa Kemal, the author of the revolution, to be honorary president of the institute. The President insisted then and there on the Minister's withdrawal from the position of president of the institute, and a day or two later ordered him to resign his portfolio on grounds of ill-health.

5. The Gazi seems to have followed his personal feelings rather than the good of the country, and it may be doubted whether the new Minister of Public Instruction, whoever he may be, will approach the task of reform with the zeal and enthusiasm which was shown by Reşit Galip Bey.

I have, &c.
GEORGE R. CLERK.

E 4963/4963/44

No. 19.

Sir G. Clerk to Sir John Simon.—(*Received August* 25.)

(No. 322.)

Sir, *Constantinople, August* 16, 1933.

I HAVE the honour to transmit to you herewith a translation of a Bill for the reorganisation of the Turkish University, which was passed by the Grand National Assembly on the 31st May last (1)

2. The question of the much-needed reform of higher education in Turkey has for some time been occupying the attention of the Government and, in 1932, they requested the Swiss Government to send them an expert to examine the question on the spot and make recommendations.

3. The Swiss Government chose for this purpose a certain Professor Malche, of Geneva University, who was also a Deputy in the Federal Parliament. The professor spent the autumn in Constantinople studying conditions at the university, and subsequently presented to the Government a report giving the results of his observations together with proposals for reform. This report was accepted by the Government. I transmit herewith a summary of this document, made by a member of my staff. I would ask that the paper should be treated as confidential, as my Swiss colleague, in lending me the report for perusal, begged that I would not disclose the fact of his having done so.

4. It will be seen that Professor Malche's criticisms of the present state of higher education in Turkey are severe, though doubtless fully justified, and that the reforms which he proposed were far-reaching. On the approval by the Grand National Assembly of the above-mentioned Bill, which was based on the professor's report, the old university was dissolved and a new one established. At the same time Professor Malche was engaged for a year to supervise the reforms and a Committee of Reform was set up under the presidency of the energetic young Minister of Public Instruction, Reşit Galip Bey. The Minister at once put various reforms in hand. Thus the medical faculty was transferred from the Asiatic shore of the Bosphorus to Constantinople; hours of study were increased; and, with a view to putting into effect the recommendation that "teaching methods should be reformed," over 100 Turkish professors were dismissed. The Minister, moreover, started negotiations with some thirty foreigners, many of them eminent Jews and Liberals expelled from Germany, with a view to their accepting professorships in the new university.

5. Unfortunately, not only did Reşit Galip Bey make many enemies, first, by the wholesale dismissal of incompetents (most of them members of the People's party); and, secondly, by the negotiations with foreigners (who were to receive salaries out of all proportion to those given to the Turks); but also, a more serious matter, he omitted, it would appear, to take the very necessary precaution of

(1) Not printed.

securing the Gazi's support before putting these drastic and unpopular decisions into effect. The result is that, as reported in my despatch No. 321 of to-day's date, he has been forced to resign, ostensibly on grounds of ill-health.

6. I gather, however, that much as the enforced resignation of so energetic and capable a figure is to be regretted, the change in the Ministry of Public Instruction will at worst affect the *tempo* of the contemplated reforms. The Gazi is too intelligent not to recognise the hopeless state of higher education in this country, and in any case the Turkish Government is now committed to a large measure of reform. Fortunately, Professor Malche was careful to avoid all mention of personalities in his report, and the whole onus of the dismissals, as also of the proposed appointment of foreigners, will thus be borne by Reşit Galip Bey. One result of the incident, so a member of the Swiss Legation stated in confidence, is likely to be that the salaries of the Turkish professors will be considerably raised. This is intended to reconcile Turkish public opinion to the appointment of a number of foreigners.

7. Meanwhile, the Acting Minister of Public Instruction, Refik Bey, has stated that the reorganisation of the university will be carried out according to plan, and that the dismissals hold good. On the resignation of Reşit Galip Bey no contracts had yet been signed with any foreign aspirants to professorial posts, and it seemed possible that a decision regarding their engagement might be deferred for the present. However, according to to-day's press, Refik Bey has been negotiating with some of these gentlemen and an agreement has been reached with two of them. These aspirants include among other well-known names, those of Herren Sauerbruch and Niessen, the famous German specialists. Refik Bey is stated to be in close touch with Dr. Malche, whose contract as adviser to the university does not expire till next year. It is announced that the Committee of Reform set up after the passing of the Bill is to be dissolved, having completed its work, and that the reforms are henceforth to be carried out by the governing body of the university in collaboration with the Minister, whose principal adviser will, of course, be Dr. Malche.

I have, &c.
GEORGE R. CLERK.

E 5112/130/44

No. 20.

Mr. Coote to Sir John Simon.—(*Received September* 1.)

(No. 464.)

Sir, *Moscow, August* 21, 1933.

WITH reference to my despatch No. 311 of the 5th June, I have the honour to report that according to an article entitled "Technical Aid in the Industrialisation of Turkey" in the *Quarterly Review* of the U.S.S.R. Chamber of Commerce, No. 2/1933, copies of which are being forwarded to the Department of Overseas Trade by next bag, the plan for development of the Turkish textile industry includes, in addition to the first combine of 32,000 spindles for coarse textiles at Kayseri, a second combine of 69,000 spindles for multi-coloured fabrics at Nazil, and a third combine of approximately 70,000 spindles for linen fabrics and cotton print at a place not yet selected. "These three mills, with a total installation of 170,000 spindles, will, with their assortment, satisfy the entire domestic demand for cotton fabrics. They are to be erected within three years."

2. Further evidence of Soviet interest in Turkey is revealed by an announcement in the *Moscow Daily News* of the 3rd August to the effect that the U.S.S.R. Chamber of Commerce is organising at Istanbul an exhibition of Soviet exports to Turkey and neighbouring countries, to be opened on the Turkish "Day of Independence."

3. I am sending a copy of this despatch to the Department of Overseas Trade and the Export Credits Guarantee Department.

I have, &c.
EDWARD COOTE.

[E 5186/289/44] No. 21.

Mr. Clark Kerr to Sir John Simon.—(Received September 5.)

(No. 212.)

Sir, *Stockholm, August* 18, 1933.

WITH reference to Sir George Clerk's despatch No. 293 of the 1st instant, a copy of which has been forwarded to me direct, I have the honour to inform you that nothing has been published in Sweden in regard to a Turco-Swedish trade agreement.

2. Herr Bagge, the acting head of the Commercial Department, when asked about the existence of such an agreement, stated that an arrangement had been made with the Turkish Government, which was of minor importance and which would not probably even be printed in the Swedish treaty series. It was simply an exchange of letters securing a certain balance of trade between the two countries. Herr Bagge, in reply to a further question, said that the agreement could not be considered to clash with most-favoured-nation clauses in treaties with other countries and added that he was prepared to discuss the matter further if so desired.

3. I have sent a copy of this despatch to the Department of Overseas Trade and to His Majesty's Ambassador at Constantinople.

I have, &c.

ARCHIBALD CLARK KERR

[E 5236/2596/44] No. 22.

Sir G. Clerk to Sir John Simon.—(Received September 7.)

(No. 334.)

Sir, *Constantinople, August* 23, 1933.

M. EDOUARD HERRIOT is leaving Constantinople by Russian steamer for Odessa to-day on the conclusion of a sixteen days' visit to this country, which, though nominally private and unofficial, was made the occasion of a reception which could scarcely have been more impressive had he still been Prime Minister of France.

2. A Turkish destroyer, with the Private Secretary of the Minister for Foreign Affairs on board, was sent to Varna to bring M. Herriot from Bulgaria, where he had been attending the Radical Union Congress at Sofia, and in addition to the usual three days of banquets, receptions, inspections of schools, hospitals, and so on, at Angora, and a prolonged interview with the President of the Republic at Dolma Bahçe Palace, the presidential yacht was placed at M. Herriot's disposal for an excursion to Troy. The Turkish press published long articles daily in praise of France and "notre cher hôte," whose friendship for Turkey was so well proved, though some of these articles contained an underlying suggestion that France could and should make some return for all this manifestation of friendship. One paper, for instance, called the serious attention of M. Herriot to the impropriety of installing elements hostile to Turkey, such as Armenians and Assyrians, anywhere near the Turco-Syrian frontier, and, in another article, contrasted the strong and convinced laïcism of M. Herriot with the support given to Catholic propaganda in the Near East by France.

3. The Ministry for Foreign Affairs has stated that no formal political discussions have been held with M. Herriot and I am not myself convinced that the visit has the portentous political importance which some of my colleagues, especially the Italian Chargé d'Affaires, attribute to it. The warmth of the reception given here to M. Herriot, the fact of his visit to Sofia, and the journey that he is now making to Russia, taken together, have alarmed my Italian colleague, who seems to fear that it all means that Turkey is moving away from the Italian orbit. It is the habit of the Turkish Government to make as much as possible of the visit of any leading European statesman, and in this case it was, I understand, largely on the insistence of Tevfik Rüstü Bey that the visit, or at all events so long a one, was made. When we add to this the conviction of the Turks that M. Herriot will certainly, and probably soon, again be Prime

Minister of France, their belief that he dislikes the Four-Power Pact almost as much as the Gazi does, and their wish to acquire merit at Moscow by instilling into M. Herriot's mind the virtues of the Soviet Government, there seems reason enough for the marked courtesies shown by the Turks to their distinguished visitor.

4. I am sending a copy of this despatch to His Majesty's Ambassador at Paris.

I have, &c.

GEORGE R. CLERK.

[E 5286/83/44] No. 23.

Department of Overseas Trade to Foreign Office.—(Received September 9.)

THE Comptroller-General of the Department of Overseas Trade presents his compliments to the Under-Secretary of State for Foreign Affairs and transmits herewith copy of despatch No. O.T. (A) 34 from His Majesty's Ambassador, Constantinople, dated the 31st August, respecting trade relations between the United Kingdom and Turkey.

Department of Overseas Trade,
September 8, 1933.

Enclosure 1 in No. 23.

Sir G. Clerk to Sir John Simon.

(No. O.T. (A) 34.)

Sir, *Constantinople, August* 31, 1933.

WITH reference to my despatch No. 301 of the 5th August, 1933, regarding certain breaches of the most-favoured-nation treatment to which exports from the United Kingdom are entitled under article 16 of the Anglo-Turkish Commercial Treaty, I have the honour to transmit to you herewith a copy of a memorandum, drawn up by the commercial secretary to this Embassy, on the position of trade relations between the United Kingdom and Turkey as affected by agreements concluded by Turkey with certain other countries and by a recent decree which cancelled the system by which imports were admitted outside the quotas on a compensation basis.

2. It will be remembered that in previous memoranda Colonel Woods has consistently upheld the opinion that a special agreement between the United Kingdom and Turkey on an equilibrium basis was to be recommended only if circumstances arose which would render the maintenance of the *status quo* harmful to British trade. In Colonel Woods's opinion, with which I agree, these circumstances have now arisen, and I fully endorse his view, expressed in his memorandum, that Turkish commercial relations with other countries have developed in such a way that British trade with Turkey is likely to be at a considerable disadvantage unless measures are taken on the lines suggested in the attached memorandum to ensure that British firms may compete with their foreign rivals on equal terms.

3. It is clear that the apprehension felt by Colonel Woods as to the detrimental effects which the agreements made by Turkey with other countries are likely to have on the trade of the United Kingdom with this country is fully shared by the British commercial community here. At the latter's request I received to-day a delegation of the British Chamber of Commerce of Turkey, composed of the chairman, secretary and a member of the council, who handed to me the letter which I transmit herewith addressed to the President of the Board of Trade, with the request that I should forward it to the proper quarter.

4. The delegation, who took this step independently of the commercial secretary, cited a number of actual cases in which contracts had recently been lost to the United Kingdom as a result of the abolition of the "compensation" system and of the greater facilities offered by such countries as France, Germany and the United States, and I was requested to recommend that a suitable agree-

ment be concluded between the United Kingdom and Turkey. In its memorandum the chamber of commerce makes particular mention of the American "agreement" as being a desirable model for an Anglo-Turkish agreement. In truth, Turkey's arrangement with the United States is not an agreement at all, but is a unilateral concession granted by the Turkish Government as a result of the discrepancy in the commercial exchanges between the two countries, as was explained in my despatch No. 46 of the 4th February, 1933.

5. In reply to the delegation, I stated that, whilst I fully sympathised with and shared their anxiety at the possibility of a substantial loss of trade to the United Kingdom, I was obliged to point out that the question was primarily one for the Board of Trade to decide, and that the Board might take the view that to ignore certain provisions of our existing commercial treaty would be to renounce the most-favoured-nation principle as a cardinal condition of policy in our commercial relations with foreign countries. I also drew the attention of the delegation to the fact that, in July last, the London Chamber of Commerce suggested to the Board of Trade that clearing-house agreements should be concluded with certain countries, but that the reply of the Board had been that a clearing-house system would not, in their opinion, have any lasting favourable effect on British export trade.

I have, &c.
GEORGE R. CLERK.

Enclosure 2 in No. 23.

Memorandum on the position of our trade relations with Turkey arising from different agreements between Turkey and other countries, as well as from Decree No. 14859 *of the* 20*th August, cancelling the system of introducing goods outside the quotas on a compensation basis and fixing the six-monthly and quarterly quotas.*

1. IN my minute of the 22nd August, submitting nine copies of the Turco-French commercial *modus vivendi* and clearing agreement, to which reference was made in despatch No. 297 to the Foreign Office dated the 3rd August, 1933, attention was drawn to the existence of two lists, containing Turkish and French products and manufactures which may be introduced free of all quota restrictions; I have now obtained a copy of the list of French products and manufactures which may be so introduced. A list of Turkish products which may be imported into France outside the quotas does not appear to have been drawn up. The list of French articles (see Appendix A),(1) which is referred to in the preamble as List 1, contains a number of tariff items figuring in the American list as well as tariff items of special interest to the trade of France with Turkey. It will be observed, however, that apart from the articles contained in this list, tariff items 24 (*b*), 75, 106 and 107 are made the subject of a special quota.

2. Turkey has also signed a clearing agreement with Germany. This agreement is not available at present, but my German colleague has furnished me with a list of German products and manufactures which may, under the new agreement, be introduced free of quota restrictions—nine copies of this list are attached herewith (see Appendix B).(1)

The position is, therefore, as follows :—

(*a*) By virtue of agreements signed between Turkey and a number of countries, our trade with Turkey is bound to be handicapped to some extent so long as Turkey refuses to grant us unconditional most-favoured-nation treatment, for France, Germany, the United States, Spain and other countries may introduce a very substantial proportion of their goods free of quota restrictions, whereas our exports to Turkey are, with the exception of those articles in free lists, known as "A" and "F," attached to the quota lists, subjected to quota restrictions.

(*b*) Our trade with Turkey will also be further prejudiced by the cancellation of the facility of introducing goods outside the quotas on the compensation basis (my memorandum of the 23rd August). A general review of the decree referred

(1) Not printed.

to in this memorandum will be transmitted to the Department of Overseas Trade under cover of a "B" despatch, for this decree fixes the quotas for the next six months. Extra copies will, as usual, also be transmitted for the information of the Board of Trade.

(*c*) The information I obtained to the effect that List M (quota allocations by country) would be extended (see Chancery letter to Eastern Department of the 31st July), has, unfortunately, proved correct, for there have been twenty-two additions to this list, but, on the other hand, it is satisfactory to note that, in allocating quotas by country, account was taken by the Ministry of National Economy of our protest No. 99 of the 20th July to the Minister for Foreign Affairs, for the United Kingdom's share of the total allocations under tariff items 378 (*c*), 381 (*b*) and 381 (*e*) no longer fall short of the United Kingdom's average share of the total imports for the corresponding quarters of 1930 and 1931. I fear, however, that the Turkish Government, whilst meeting our objection, have reduced the quotas under these tariff items to such an extent that that the concession is of no practical importance.

I have recently received many enquiries from local merchants who have expressed anxiety as regards the position of the United Kingdom *vis-à-vis* this country. All of them are hoping that an agreement will be reached between the United Kingdom and this country on the lines of the Turco-French agreement.

In my memorandum, which was transmitted under cover of despatch No. 301 of the 5th August to the Foreign Office, I submitted three situations. I fear that situation No. 2 has now altered as the result of the changes referred to under paragraph (*b*) of this memorandum.

In these circumstances I would submit for consideration that we are left with one alternative, namely, an agreement providing for the maintenance of the clauses contained in the Anglo-Turkish Treaty of Commerce and Navigation in so far as residence, navigation, tariffs and customs legislation are concerned, but as regards imports, the volume to be dependent on the balance of payments, provided always that exports to Turkey from the United Kingdom are free of all quota restrictions as long as an equilibrium is maintained from time to time through clearing houses.

It is, I fear, altogether unlikely that the Turks will accede to any new demand which we might make for unconditional most-favoured-nation treatment and, although the disadvantages of a "clearing-house" agreement are fully realised and have been pointed out from time to time by this office, there seems to be no reasonable alternative if we wish to compete with our principal rivals on terms of equality. The increase in the number of countries which have entered into such agreements and the abolition of the "compensation" system have produced a new situation, which can only work to the detriment of our trade.

H. W.

August 29, 1933.

[E 5596/1506/44] No. 24.

Sir G. Clerk to Sir John Simon.—(*Received September* 22.)

(No. 344.)

Sir, *Angora, September* 12, 1933.

I REGRET to report that the espionage-complex, which was a marked characteristic of the Turkish authorities when I arrived here nearly seven years ago, shows no sign of having grown less or more reasonable during those years, while the tendency to gratify their consciousness of independence by taking every opportunity of being unpleasant and unjust to foreigners seems, if anything, to have increased.

2. The other day the Rev. W. Clark-Kerr, chaplain to the Evangelical Union Church of Pera, was returning in the Conventional Express from his annual holiday. At the Turkish frontier the customs authorities found in his baggage a copy of Lowell Thomas's book *With Lawrence in Arabia*. They called in the police officials, who told Mr. Clark-Kerr that he could either accompany them to Constantinople by the Simplon Orient Express, at his own expense, or wait at the dismal frontier station of Uzun Köprü until other officials competent to pursue

the matter further came up from Constantinople to investigate this serious matter. Mr. Clark-Kerr preferred to travel immediately by the Simplon Express, and during this journey the police escort questioned him continually as to his connexion with Colonel Lawrence, where the latter was at the moment, and so on. On arrival he was taken to the police station at Sirkeci, questioned again, from there to Galata police station where the same procedure was repeated, and thence to the first section in Istanbul. Here his baggage was placed under lock and key, and he was submitted to a prolonged interrogation without being allowed the opportunity to have a meal or to communicate with anybody. Mr. Clark-Kerr does not remember whether he asked permission to get into touch with His Majesty's Embassy or consulate-general, but says that in any case he was not permitted to use the telephone. He was eventually allowed to go to his house about 5 P.M., but on the following days he was again summoned to the first section and put under a prolonged interrogation, and eventually made to sign a number of statements, although he pointed out that he could not confirm that the contents of these statements were accurate.

3. Up to the time of writing this despatch Mr. Clark-Kerr has not been further molested. He has addressed no formal complaint either to His Majesty's Embassy or to the consulate-general, and, indeed, is very anxious that the matter should not be pursued officially, for he fears that, whatever official satisfaction might eventually be obtained, the local police will find grounds for making his position intolerable. Moreover, Mr. Clark-Kerr had in his baggage a number of toys and some curtains, and, though he had no criminal intentions, his failure to declare these articles immediately on the arrival of the customs officials at the frontier, to some extent puts him in the wrong and gives them a plausible excuse for the action taken. I, therefore, propose to let the matter drop, but I bring it to your attention as an instance of the exaggerated and ineradicable suspiciousness of the Turks which it would seem nothing can overcome.

4. Another weakness of the Turks is their abnormal sensitiveness to foreign criticism. It is a feature in their character that the foreigner in this country should never forget, for if he does he is sure to pay for it. A typical instance has just come to my notice. There was recently published in an American magazine a critical article on the official Turkish history, which tore its fantastic theories to shreds. The writer stated in a footnote to the article that he was indebted for his information to Dr. Fisher of Robert College, with the result that the Angora authorities have ordered that Dr. Fisher, who is now on his way back from leave in America, should not be allowed to return to Turkey in any circumstances. The American Chargé d'Affaires tells me that he is being much worried over this incident, but that he does not see any way of getting the order rescinded.

5. As a further example of the absurd length to which Turkish national feeling can go, I may quote the following incident which occurred last week: The Lindbergh of Turkish aviation, a certain Vecihi Bey, was giving a pupil a flying lesson over Moda Bey. Vecihi, whose courage is equalled by his recklessness, was flying much too low, and hit the mast of one of the many small yachts that are anchored in the bay. The result was a broken mast, an aeroplane at the bottom of the bay, and the airman and his pupil fortunately rescued, the pilot with a broken leg and the passenger with a number of lesser injuries. The indignant yacht owner, a Frenchman, on seeking redress for the wanton damage done to his boat, was met with the retort that he was in grave danger of being prosecuted for having a yacht with too high a mast.

I have, &c.
GEORGE R. CLERK.

[**E 5767/5767/65**] No. 25.

Sir G. Clerk to Sir John Simon.—(*Received September* 27.)

(No. 28. Confidential.)
(Telegraphic.) *Constantinople, September* 26, 1933.

MINISTER for Foreign Affairs informed me confidentially to-day that Persian Government have sounded him as to the possibility of a quadruple non-aggression pact between Persia, Turkey, Iraq and Great Britain. He replied as one would expect (see my despatch No. 363 of 1932), that in principle he favoured it, but inasmuch as Soviet Russia was a neighbour of Persia, and in view of the relations between Russia and Turkey, he could take no step in this direction before knowing what Russia thought about it. He advised Persian Government to take advantage of Karakhan's imminent visit to Tehran to open the question with him. Minister for Foreign Affairs would himself warmly welcome quintuple pact of Persia, Turkey, Iraq, Great Britain and Soviet Russia, but he realised that the issues which the two latter Great Powers had to consider were far more complex than the comparatively simple problems of Turkey.

[**E 6264/86/44**] No. 26.

Mr. Morgan to Sir John Simon.—(*Received October* 20.)

(No. 360.)
Sir, *Constantinople, October* 2, 1933.

I HAVE the honour to report that Sir George Clerk left Turkey to-day on the completion of his tenure of office as His Majesty's Ambassador in this country.

2. Since the news of his transfer became known expressions of regret have been widespread. Opinion was unanimous among Turkish officials that they were losing a sincere friend of their country, and one whom they had personally learnt to esteem and to respect. They had come to value his views not only on questions concerning their country and his, but on questions of wider scope on which they consulted him with confidence, and with the knowledge that they would receive objective advice, free from any *arrière-pensée*. His diplomatic colleagues, too, deplored his departure. The doyen, M. Suritz, Ambassador of the U.S.S.R., who had known Sir George Clerk since his arrival in Turkey, and who was expressing both the Turkish and the foreign official view, told me that the improvement noticeable in recent years in Anglo-Turkish relations was largely due to the late Ambassador, who, arriving in the difficult days following the Mosul dispute, had by patience, tact and personal qualities worn down Turkish suspicion and soothed Turkish susceptibilities, so that finally friendship and confidence took the place of hostility and distrust.

2. The special position won by Sir George Clerk was emphasised during the past week, when the President of the Republic, the President of the Council and the Minister for Foreign Affairs agreed to receive him in Constantinople for the purpose of taking leave of them, thus waiving their jealously-guarded principle of discouraging receptions of foreign diplomatists in Constantinople. The Gazi was markedly friendly, expressing pleasure at the cordiality of Anglo-Turkish relations, and consulting the Ambassador on various points connected with the approaching visit of the Yugoslav Sovereigns and on Turco-Bulgarian relations. Ismet Pasha and Tevfik Rüstü Bey were unaffectedly moved by the leave-taking. Sir George Clerk paid a hurried visit to Angora for the purpose of making an official farewell call at the Ministry for Foreign Affairs. At a luncheon given at Angora in his honour in the new premises of the Diplomatic Club, Sükrü Kaya Bey, Minister of the Interior, gathered together Angora's most prominent personages, and if the speeches delivered on the occasion were long and numerous, his Excellency was much touched by them, as they were patently sincere and clearly expressions of genuine regret at the loss of a personal and admired friend.

3. The Turkish Ministers in residence at Angora and numerous Turkish officials and others saw Sir George Clerk off at Angora Station, and there was a large assembly of diplomatic and other friends at the station on his departure from Constantinople. There were no Turkish officials at this latter gathering, no doubt because Turkish official leave-taking is considered as accomplished only in Angora. There is a bare possibility, too, that the Turkish authorities refrained from appearing because they had remarked a report in the *Times* of the 28th September (due to over-intelligent editing of a correctly-worded telegram from its Constantinople correspondent) to the effect that the Ambassador had presented his letters of recall to the Gazi at Dolmabahçe, and may have felt called on to show by their abstention that the *Times* misrepresentation of a special and

personal concession made in the case of Sir George Clerk did not imply that Constantinople could in any way replace Angora as the diplomatic capital, or that the Gazi would be willing to receive other such visits in Constantinople in future.

4. To various journalists who asked for Sir George Clerk's views on the occasion of his departure, the Ambassador stressed his regret at severing his seven years' connexion with Turkey and his admiration for its progress and increasing prestige under the able guidance of the Gazi, as well as his wishes for its success in the future. His words were reproduced with satisfaction in all newspapers.

I have, &c.
JAMES MORGAN.

[E 6297/6297/44] No. 27.

Sir P. Ramsay to Sir John Simon.—(Received October 21.)

(No. 438. Secret.)

Sir, *Athens, October* 14, 1933.

I HAVE the honour to inform you with reference to Mr. Cavendish-Bentinck's despatch No. 400 of the 23rd September, that I learn from a reliable source that M. Veniselos, while giving an account of his recent visit to Ismet Pasha, told one of his most trusted partisans that Mustapha Kemal had stated that Turkey would do her best to keep out of any future war, but if she did have to go to war it would be on the side which held the command of the sea.

2. I have transmitted a copy of this despatch to His Majesty's Chargé d'Affaires at Ankara.

I have, &c.
PATRICK RAMSAY.

[C 9379/9106/37] No. 28.

Mr. Morgan to Sir John Simon. (Received October 27.)

(No. 381.)

Sir, *Angora, October* 19, 1933.

I HAVE the honour to forward herewith a copy of the text of a Turco-Roumanian Treaty of Friendship, Non-Aggression, Arbitration and Conciliation, signed on the 17th October at Angora by Tevfik Rüştü Bey, Turkish Minister for Foreign Affairs, and M. Titulesco, Roumanian Minister for Foreign Affairs. The text is as published by the semi-official Anadolu Agency.

2. I am sending a copy of this despatch to His Majesty's Minister at Bucharest.

I have, &c.
JAMES MORGAN.

Enclosure in No. 28.

Traité d'Amitié, de Non-Agression, d'Arbitrage et de Conciliation.

LE Président de la République turque et Sa Majesté le Roi de Roumanie,

Egalement attachés au maintien de la paix générale;

Convaincus que la Turquie et la Roumanie se doivent d'y collaborer dans un esprit de mutuelle confiance en préparant le règlement pacifique des différends qui peuvent survenir entre elles;

Ayant en vue que les deux Etats sont les signataires du Pacte de Paris du 27 août 1928 relatif à la renonciation à la guerre et des conventions définissant l'agression du 3 et 4 juillet 1933;

Désireux de raffermir dans l'intérêt commun des deux pays les liens d'amitié existants, qui sont pour eux un gage d'avenir;

Ont décidé de conclure entre eux le présent traité d'amitié, de non-agression, d'arbitrage et de conciliation et ont désigné à cet effet pour leurs plénipotentiaires :

Le Président de la République turque :

Son Excellence Tevfik Rouchdi Bey, Ministre des Affaires étrangères de Turquie, Député de Smyrne;

Sa Majesté le Roi de Roumanie :

Son Excellence M. Titulesco, Ministre des Affaires étrangères de Roumanie;

Lesquels, après avoir échangé leurs pleins pouvoirs, reconnus en bonne et due forme, sont convenus des dispositions suivantes :

ARTICLE 1er.

Il y a et il y aura paix inviolable et amitié sincère et perpétuelle entre la République turque et le Royaume de Roumanie et leurs peuples.

ARTICLE 2.

Fidèles à leurs engagements déjà pris à ne pas recourir l'un vis-à-vis de l'autre à la guerre comme moyen de leur politique nationale, ni à l'agression telle qu'elle a été définie par les conventions du 3 et 4 juillet 1933, et, partant, à ne pas participer à un acte d'agression commis par un tiers, les deux hautes parties contractantes assument en outre l'engagement de condamner toute agression ou toute participation à une agression quelconque tentée par des tiers, ainsi que toute entente agressive contre l'un ou l'autre des deux pays.

ARTICLE 3.

Les hautes parties contractantes s'engagent à résoudre par voie de conciliation ou de règlement judiciaire ou arbitral, de la manière prévue ci-après, tout différend, né de la situation ou faits postérieurs à l'entrée en vigueur du présent traité, au sujet duquel les parties se contesteraient réciproquement un droit et qui n'aurait pu, dans un délai raisonnable, être résolu par les procédés diplomatiques ordinaires.

Les deux hautes parties contractantes maintiennent, en ce qui concerne l'application du présent accord, les réserves qu'elles ont faites lors de leur adhésion à la clause facultative de l'article 36 du Statut de la Cour permanente de Justice internationale, étant d'autre part entendu que l'engagement ci-haut mentionné ne s'applique pas :

(1) Aux différends relatifs à des prétentions que des particuliers auraient contre l'une des hautes parties contractantes et qui seront définitivement tranchés par les juridictions nationales compétentes de l'une ou de l'autre des hautes parties contractantes;
(2) Aux différends portant sur des questions que le droit international laisse à la compétence exclusive des Etats, tel que le droit interne, ou qui relèvent de sa souveraineté;
(3) Aux différends ayant trait au statut territorial des parties.

ARTICLE 4.

Les différends pour la solution desquels une procédure spéciale est prévue par d'autres conventions en vigueur entre les hautes parties contractantes seront réglés conformément aux dispositions de ces conventions.

ARTICLE 5.

Si les parties sont d'accord pour soumettre le différend à un tribunal arbitral, elles rédigeront un compromis. Au cas où elles ne seraient pas d'accord de se référer, purement et simplement, à la Convention de La Haye (de Martens, *Nouveau Recueil général de Traités*, 3ème série, tome III, p. 360), du 18 octobre 1907, pour le Règlement pacifique des Conflits internationaux, elles détermineraient, dans ce compromis, outre le choix des arbitres et l'objet du litige, les modalités de la procédure et les règles de fond à appliquer par les arbitres.

ARTICLE 6.

Si les parties sont d'accord pour soumettre le différend à un tribunal arbitral et à défaut d'accord entre les parties sur le compromis visé à l'article précédent, ou à défaut de désignation d'arbitres, et après un préavis de trois mois, l'une ou l'autre d'entre elles aura la faculté de porter directement, par voie de requête, le différend devant la Cour permanente de Justice internationale.

ARTICLE 7.

L'arrêt de la Cour permanente de Justice internationale ou la sentence du tribunal arbitral sera exécuté de bonne foi par les parties.

Les difficultés auxquelles l'interprétation ou l'exécution des arrêts de la Cour permanente de Justice internationale ou des sentences arbitrales rendues dans les conditions ci-dessus prévues pourraient donner lieu, seront tranchées par la Cour permanente de Justice internationale, saisie à la requête de l'une ou de l'autre des parties.

ARTICLE 8.

Avant toute procédure arbitrale ou avant toute procédure devant la Cour permanente de Justice internationale dans les conditions ci-dessus prévues, le différend pourra être d'un commun accord entre les parties soumis à la procédure de conciliation prévue par le présent pacte.

En cas d'échec de la tentative de conciliation et après l'expiration du délai prévu à l'article 21, la Cour permanente de Justice internationale, ou le Tribunal arbitral, selon le cas, pourront être saisis du différend dans les conditions prévues dans les articles précédents.

ARTICLE 9.

Sur la demande adressée à cet effet par une des parties contractantes à l'autre, il devra être constitué dans les trois mois une Commission permanente de Conciliation.

ARTICLE 10.

La Commission permanente de Conciliation sera composée de trois membres. Les hautes parties contractantes nommeront chacune un commissaire choisi parmi les nationaux respectifs.

Elles désigneront, d'un commun accord, le président, qui ne devra ni être ressortissant des hautes parties contractantes ni avoir sa résidence habituelle sur leurs territoires, ni se trouver à leurs services. Si la nomination du président n'intervient pas dans le délai prévu à l'article précédent ou, en cas de remplacement, dans les trois mois à compter de la vacance du siège, il sera désigné, à défaut d'entente entre les parties, et à la requête de l'une d'entre elles, par un chef d'État d'une Puissance à désigner d'un commun accord, s'il y consent.

Les commissaires sont nommés pour trois ans; ils seront rééligibles; ils resteront en fonction jusqu'à leur remplacement, et, en tous les cas, jusqu'à l'expiration de leurs mandats.

Tant que la procédure n'est pas ouverte, chacune des hautes parties contractantes aura le droit de révoquer le commissaire nommé par elle et de désigner un successeur. Elle aura aussi le droit de retirer son consentement à la nomination du président.

Il sera pourvu, dans le plus bref délai, aux vacances qui viendraient à se produire par suite d'expiration de mandat, de révocation, de décès, de démission ou de quelque autre empêchement, en suivant le mode fixé pour les nominations.

ARTICLE 11.

La Commission de Conciliation sera saisie par voie de requête adressée au président par les deux parties agissant d'un commun accord ou, à défaut, par l'une ou l'autre des parties. La requête, après avoir exposé l'objet du litige, contiendra l'invitation à la commission de procéder à toute mesure propre à conduire à une conciliation.

Si la requête émane d'une seule des parties, elle sera notifiée en même temps par celle-ci à l'autre partie.

ARTICLE 12.

Dans un délai de quinze jours à partir de la date où l'une des parties aura porté un différend devant la Commission de Conciliation, chacune des parties pourra, pour l'examen de ce différend, remplacer son commissaire par une personne possédant une compétence spéciale dans la matière.

La partie qui userait de ce droit en fera immédiatement la notification à l'autre; celle-ci aura, dans ce cas, la faculté d'agir de même dans un délai de quinze jours à partir de la date où la notification lui sera parvenue.

ARTICLE 13.

La Commission de Conciliation se réunira, sauf accord contraire des parties, au lieu désigné par son président.

ARTICLE 14.

La Commission de Conciliation aura pour tâche d'élucider les questions en litige, de recueillir à cette fin toutes les informations utiles et de s'efforcer de concilier les parties.

Après examen de l'affaire, elle formulera, dans un rapport, des propositions en vue du règlement du différend.

ARTICLE 15.

La procédure devant la Commission de Conciliation sera contradictoire.

La commission réglera elle-même la procédure en tenant compte, sauf décisions contraires prises à l'unanimité, des dispositions contenues au titre III de la Convention de La Haye, du 18 octobre 1907, pour le Règlement pacifique des Conflits internationaux.

ARTICLE 16.

Les délibérations de la Commission de Conciliation auront lieu à huis clos, à moins que la commission, d'accord avec les parties, n'en décide autrement.

ARTICLE 17.

Les parties auront le droit de nommer auprès de la commission des agents, conseils et experts, qui serviront en même temps d'intermédiaires entre elles et la commission, ainsi que de demander l'audition de toute personne dont le témoignage leur paraîtrait utile.

La commission aura, de son côté, la faculté de demander des explications orales aux agents, conseils et experts des deux parties, ainsi qu'à toute personne qu'elle jugerait utile de faire comparaître, avec l'assentiment de leurs Gouvernements.

ARTICLE 18.

Les parties s'engagent à faciliter les travaux de la Commission de Conciliation et, en particulier, à lui fournir, dans la plus large mesure possible, tous documents et informations utiles, ainsi qu'à user de tous les moyens dont elles disposent d'après leur législation pour lui permettre de procéder à la citation et à l'audition de témoins ou d'experts.

ARTICLE 19.

La Commission de Conciliation présentera son rapport dans les quatre mois à compter du jour où elle a été saisie du différend, à moins que les parties ne conviennent de prolonger ce délai.

Un exemplaire du rapport sera remis à chacune des parties. Le rapport n'aura, ni quant à l'exposé des faits, ni quant aux considérations juridiques, le caractère d'une sentence arbitrale.

ARTICLE 20.

La Commission de Conciliation fixera le délai dans lequel les parties auront à se prononcer au sujet des propositions de règlement contenues dans son rapport. Ce délai ne dépassera pas trois mois.

ARTICLE 21.

Pendant la durée de leurs travaux, chacun des commissaires recevra une indemnité dont le montant sera arrêté d'un commun accord par les parties, qui en supporteront chacune une partie égale.

Les frais généraux occasionnés par le fonctionnement de la commission seront répartis de la même façon.

ARTICLE 22.

Le présent pacte sera ratifié et les instruments de ratification en seront échangés dans le plus bref délai.

Le pacte entrera en vigueur dès l'échange des ratifications. Il est conclu pour la durée de dix ans, à compter de son entrée en vigueur.

S'il n'est pas dénoncé six mois avant l'expiration de ce terme, il sera censé être renouvelé pour une nouvelle période de cinq ans et ainsi de suite.

Si une procédure de conciliation ou une procédure arbitrale ou judiciaire est pendante lors de l'expiration du présent pacte, elle suivra son cours conformément aux dispositions du présent pacte, à moins que les parties n'en conviennent autrement.

Fait à Ankara, en double exemplaire, le 17 octobre 1933.

E 6463/130/44

No. 29.

Mr. Strang to Sir John Simon.—(*Received October* 27.)

(No. 585.)

Sir, *Moscow, October* 24, 1933.

WITH reference to my telegram No. 498 of the 22nd October, I have the honour to inform you that a delegation of Soviet Government officials, headed by K. E. Voroshilov, People's Commissar of the Army and Navy, left Moscow on the 23rd October for Ankara to return the visit of Ismet Pasha, Prime Minister of the Turkish Republic, and Tevfik Rüştü Bey, Turkish Minister for Foreign Affairs.

2. The delegation, which was appointed by the Central Executive Committee and the Council of People's Commissars, is about twenty in number, and includes L. M. Karakhan, Vice-Commissar for Foreign Affairs; A. S. Bubnov, People's Commissar of Education of the R.S.F.S.R.; S. M. Budyenni, Inspector of Cavalry; and G. Krzhizhanovski, Vice-Commissar of Education of the R.S.F.S.R. Hüseyin Ragip Bey, the Turkish Ambassador at Moscow, and J. Suritz, the Soviet Ambassador to Turkey, accompanied the delegation. The visit has been planned to coincide with the tenth anniversary of the Turkish Republic on the 29th October.

3. M. Litvinov, who was to have gone with the delegation, was not able to accompany it owing to his impending visit to the United States of America. I understand that M. Molotov, the president of the Council of People's Commissars, was prevented from going by reasons of health.

4. I am sending a copy of this despatch to His Majesty's representative at Ankara.

I have, &c.
WILLIAM STRANG.

E 6648/130/44

No. 30.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 396.)

Sir, *Angora, October* 27, 1933.

I HAVE the honour to report that a Russian squadron coming from the Black Sea arrived in the Bosphorus on the 18th instant and anchored off Dolmabahçe Palace. The squadron consisted of the cruiser *Krasni Kavkaz*, the destroyers *Petrovski* and *Shaumyan*, and the submarines *Revolutzioner*, *Spartakovetz* and *Yakobinetz*, and was under the command of Comrade Rall, who enjoys the rank of vice-admiral while holding his present appointment.

2. On the following day Comrade Rall entertained the local Turkish and Soviet officials to luncheon on board the *Krasni Kavkaz*, where there was a largely-attended reception of journalists later in the afternoon. On the 20th October the Russians laid a wreath on the Monument of the Revolution at Taxim, and in the evening a dinner was given in their honour by the Vali of Constantinople. The cruiser and destroyers left on the 21st instant for Piræus and Italy, while the submarines were to return to Sebastopol direct.

3. The visit has been a source of considerable gratification to the Turkish authorities, and aroused a fair amount of interest among the general public. The liberty-men seen in the streets of Pera and Stambul made an excellent impression, as they possessed remarkably fine physique and were smartly dressed.

4. Captain Macdonald, British representative on the Straits Commission, who met Comrade Rall at a tea-party at the Soviet consulate-general, tells me that the vice-admiral confirmed a statement, given currency in the Constantinople press, that the Communist Commissar no longer holds the leading position in a ship or squadron. (On the occasion of the last Russian naval visit to Constantinople the commissar, who was a civilian, exercised executive control over the officer in command of the squadron.) Comrade Rall informed Captain Macdonald that he had been an officer under the Tsarist régime, and had served in the Baltic with British submarine officers during the Great War. Another officer, Commodore Pilicheiev, who was in command of the destroyer flotilla, spoke good English, and stated that he had been in the United States of America throughout the war. None of the other officers whom Captain Macdonald met appeared to talk any other language than their own, and gave the impression of being somewhat uncouth.

5. The vice-admiral confided to Captain Macdonald that he had been surprised that no Turkish men-of-war came to meet his squadron, apart from the presidential yacht, *Ertugrul*, whose commanding officer had not called on him.

6. I am sending a copy of this despatch to His Majesty's representative in Moscow.

I have, &c.
JAMES MORGAN.

E 6650/1814/44

No. 31.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 399.)

Sir, *Angora, October* 27, 1933.

WITH reference to Sir G. Clerk's despatch No. 250 of the 30th June, 1933, regarding the appointment of American economic advisers to the Turkish Government, I have the honour to report that I found myself a few days ago thrown together with Ali Rana Bey, Minister of Customs and Monopolies, at an official function, and seized the opportunity to ask him why, in view of the eminent services rendered by Sir Richard Crawford to the Turkish Customs Administration before the war, the Turkish Government had not, when it again decided a year or two ago to engage a Customs adviser, chosen a British specialist instead of an American one. Ali Rana Bey, who speaks English well, said that he himself, out of old friendship for British people and pleasant memories of encounters at sport with British opponents, had originally been desirous of engaging a British specialist. Whilst in this frame of mind he happened to be in Paris, and there made the acquaintance of one Clark (!), an American, whose profession it was to give expert advice to business houses and companies with a view to increasing their efficiency, and saving them from failure. He had been much impressed by him and had asked for his advice about the conduct of Turkey's monopolies and customs. This was given and was satisfactory, with the result that Mr. Clark's aid was invoked to obtain advisers. The first step having been taken and the work of the advisers having produced efficiency and economy in the working of the departments concerned, he had, though animated

with all good wishes towards British people, found no reason to go beyond Mr. Clark and his counsels.

2. I am sending copies of this despatch to His Majesty's Ambassador at Washington and to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN

[E 6651/262/44] No. 32.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 400.)
Sir, *Angora, October* 28, 1933.

WITHIN the last two months Turkey has seen arriving as her guests the leaders of Greece, Yugoslavia, Roumania, Hungary and Soviet Russia. Angora has become an important political centre. The Turkish Government is courted by neighbouring States, on whom it bestows its advice, and whose differences it endeavours to compose. Although poor financially, and in its infancy as a modern State, Turkey may be said to have become the leader of the Near East, looked up to in the Balkans, and considered worthy of admiration and imitation in Arab countries. Internally, it seems, with impunity, to have ignored the laws of economics by basing its money not on gold, but on decree, and has kept it sound by further decrees. Externally, its diplomacy is successful, owing to a skilful combination of bluff, carried to the uttermost limit, of menaces and flattery. The sheet-anchor of its policy is its friendship with Russia—a mutual partnership to which Russia contributes all the capital, and from which Turkey draws all the profits. The Gazi, with his inspiration and drive, seconded by Ismet, with his dogged pertinacity and loyalty to his chief, is Turkey. Tevfik Rüstü is but the wordy whirlwind sent out from Angora to blow through Europe, eddying here and there and sweeping back to Angora with some new friendship for Turkey, or tribute to its prestige.

2. Possessed of a strong army and a disciplined people, and conscious of its ability to repel aggression, becoming every day more self-sufficing, Turkey considers it natural that not only its neighbours, but States further afield should recognise its pre-eminent position in the Near East.

I have, &c.
JAMES MORGAN.

[E 6653/533/44] No. 33.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 402.)
Sir, *Angora, October* 28, 1933.

THE celebrations of the tenth anniversary of the declaration of the Turkish Republic will begin to-morrow and continue over the two succeeding days.

2. The Turkish Government have taken the greatest trouble to ensure that the celebrations shall be worthy of the occasion, and for weeks past the public have been instructed, through the newspapers, in the manner in which they are expected to demonstrate their enthusiasm. Every householder, they have been told, is to display the national flag and to decorate the front of his house in a fitting manner. Sellers of the national emblem have been seen in their dozens in the streets of Angora and Constantinople, and, I doubt not, of every other town in Turkey. Nor have the country dwellers been forgotten. Every village is to construct a Republican Square, in which, on the day of the anniversary, speeches are to be made, flags and Government-supplied posters to be displayed, processions to march and the national hymn to be sung.

3. In Angora itself the greatest activity of preparation is evident. Along the 7 kilom. of road from the station to the Gazi's residence on the hill at Çankaya, standards have been erected from which streams the national banner, and across the main streets have been hung devices in red and white embodying the principal aims and achievements of the revolution. By these means the public

is to be instructed, for instance, that: "Balanced Budget, Regular Payments, that is the Finance of the Republic," or warned to "Beware of Everything which may chill your ardour towards Self, Nation or Government; there is sure to be some intrigue at the bottom of it," or encouraged to self-congratulation by such texts as: "I am a Turk, how lucky for me!" Progress in the field of military preparedness is typified by a wooden painted chimney perched on a grandiose base decorated with rifles, bayonets and camouflaged guns, and bearing the symbol: "100 . . . . 1,000 . . . . ∞," signifying the present and future increase in the production of munition factories. Military ardour is being inflamed by such devices as: "The Soldier is the Marrow of the Nation." Fervour for the head of the State finds expression in an illuminated sign crowning the yet unfinished pile of the new Ministry of Interior, reading: "The Gazi is one of us: He is the greatest of us: He is the sum total of us all." And when finally the populace, exhausted by obedience to the admonition to spend the day walking in the streets and displaying a cheerful mien, retire for refreshment and repose to the cafés and eating-houses, they will still be able to absorb patriotic satisfaction from the numerous posters hung on the walls illustrating the æsthetic and cultural superiority of Western clothing and civil weddings over Asiatic trousers, cummerbunds and veils, and the black magic of priestly ceremonies.

4. The plain is dotted with tents sheltering additional troops from the surrounding districts and marines from Constantinople who, together with boy scouts, school-children and university students assembled from all directions and temporarily lodged in the schools of the capital, are to take part in the monster parade which is to be held on the race course on the opening day.

5. The question of what manifestations of sympathy, apart from attendance at functions and receptions, should be shown by the Diplomatic Corps is actively exercising the heads of missions, and at the moment of writing unanimity is far from being reached on the point whether Embassies and Legations should be illuminated, or whether mere display of the national flag will suffice.

6. At all events, as far as the native populace is concerned, there is little doubt that, given their natural docility and suggestiveness, the coming celebrations will be both fervent and general, whatever may be the mental reservations of the elderly and middle-aged.

I have, &c.
JAMES MORGAN.

[E 6654/130/44] No. 34.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 403.)
Sir, *Angora, October* 28, 1933.

IN my despatch No. 95 of the 18th March last I had the honour to report that, according to a statement made by the Turkish Minister for Foreign Affairs, M. Molotoff and M. Litvinoff would visit Angora for the celebrations in connexion with the tenth anniversary of the Turkish Republic on the 29th October. This arrangement held good until quite recently, when it became known that neither statesman would be able to fulfil the engagement. In the case of M. Molotoff, the reason given was that, in consequence of an attack of influenza, his medical advisers had forbidden him to undertake the journey—whether the excuse was valid or not I have no means of knowing—while M. Litvinoff, naturally enough, has yielded to the superior attractions of Washington. Their places have been taken by M. Voroshiloff, Commissar for War and Acting President of the Council of People's Commissars, and M. Karakhan, Assistant Commissar for Foreign Affairs. Other prominent members of the delegation, which comprises over twenty persons in all, are M. Boubnoff, Commissar for Public Instruction, and General Boudenny, member of the Revolutionary War Council and Inspector of Cavalry of the Red army. Mesdames Voroshiloff, Boubnoff and Boudenny accompany their husbands.

2. The Soviet delegation arrived at Constantinople on the morning of the 26th October, having travelled from Odessa on the steamship *Izmir*, which had been sent by the Turkish Government to convey them. Cordial wireless messages were despatched from the *Izmir* by Voroshiloff and Karakhan to the Turkish Prime Minister and Minister for Foreign Affairs respectively, and equally

effusive replies were awaiting the visitors on their arrival at the Pera Palace Hotel, after they had been met by the Vali of Constantinople at Büyükdere, cheered by the populace massed, according to the press, on both sides of the Bosphorus, and greeted by the evolutions of a squadron of aeroplanes. Military honours were rendered at the landing-stage to the strains of the "Internationale."

3. The party entrained the same evening for Angora, where they arrived the following morning, and took up their quarters in the Angora Palace Hotel as the guests of the Turkish Government. From it they can admire a colossal wooden structure, which, whether intended to symbolise big guns or factory chimneys, is clearly meant, with its coating of blood-red paint relieved by the hammer and sickle in yellow, to convey a sense of solidity and fervour of Turco-Soviet friendship.

4. The Minister for Foreign Affairs entertained the visitors to luncheon, and the more distinguished of their number were received later by the President of the Republic, Tevfik Rüstü Bey and the Soviet Ambassador being present at the interview, which is stated to have lasted for three hours. The day's proceedings were brought to a close by a dinner-party given by the Prime Minister, followed by a reception and dance at the Angora Palace Hotel. The latter function was attended by the Diplomatic Corps and a large number of prominent Turks. A similar entertainment is being given this evening at the Soviet Embassy, and the climax, both of the Russian visit and of the national celebrations which occasioned it, will be reached to-morrow, the 29th October, when practically the whole of the day and night will be devoted to ceremonies in the open or indoors.

5. I am sending a copy of this despatch to His Majesty's representative at Moscow.

I have, &c.
JAMES MORGAN.

P.S.—It has just come to my knowledge that thirty or forty Tsarist Russians were incarcerated for the night when the Soviet Ministers and other guests passed through Constantinople. They included admirals and generals of the Imperial army. They expect to spend another night in jail on the return journey of the distinguished visitors.

J. M.

[E 6658/130/44] No. 35.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 32.)
(Telegraphic.) *Angora, November* 1, 1933.

MY despatch No. 403.

Soviet delegation, after a very cordial reception here, leave to-night for Smyrna and will then visit the Dardanelles.

2. This latter visit has caused much excitement among foreign colleagues and journalists, who connect it with immediate remilitarisation of the Straits zone and suspect that a Turco-Soviet military alliance is imminent.

3. I questioned Turkish Minister for Foreign Affairs about these surmises. He assured me that there was no truth in them and that there was no question of any new Turco-Soviet agreement or treaty. He said that the present visit would result in nothing more than the consolidation of friendship and conclusion of final arrangements about the Russian credit of 8 million dollars (Moscow telegram No. 69 of 1932). The suggestion that a visit be paid to the Dardanelles came from the Russian side, and the Turks saw no objection. The Turkish ideas about remilitarisation of Straits zone were known and had undergone no recent change.

4. He repeated that Turkey's foreign policy was to make agreements of friendship with her neighbours, but not alliances.

5. A member of Soviet Embassy confirmed that no fresh agreement had been concluded during the present visit.

(Repeated to Moscow by Savingram.)

[E 6656/533/44] No. 36.

Mr. Morgan to Sir John Simon.—(*Received November* 2.)

(No. 405.)
Sir, *Angora, October* 28, 1933.

WITH reference to Sir George Clerk's despatch No. 490 of the 30th December, 1930, I have the honour to report that Hilmi Bey, Minister of Public Works, has resigned on account of ill-health, and has been succeeded by Fuat Bey, Deputy for Elaziz.

2. I learn from a reliable source that Hilmi Bey was personally averse from tendering his resignation, and wished to take leave in order to undergo a cure. Ismet Pasha was willing to accede to his wishes, and to retain him as Minister, but the Gazi declared that he must go.

3. My informant added that Fuat Bey would act as Minister of Finance during the continued absence of Abdulhalik Bey, who is also in poor health, and that he would succeed Abdulhalik if the latter did not make a good recovery. In that event, it would be necessary to find a successor for Fuat as Minister of Public Works, and the post would in all probability be given to Hikmet Bey, who lately resigned his post as secretary-general to the presidency of the republic in order to become Deputy for Manisa. The new secretary-general is Rusen Esref Bey, hitherto Deputy for Afyonkarahisar, a great friend of the Gazi and his Excellency's close collaborator in his linguistic and historical pursuits.

4. Little seems to be known about Fuat Bey, the new Minister of Public Works, except that he was chairman of the Budget Committee in the Third Grand National Assembly, though not chosen as a candidate at the general election of 1931. He was, however, recently nominated for one of two vacancies at Elaziz, and duly elected Deputy just before his elevation to Cabinet rank. A biographical record for inclusion in the list of Turkish personalities will be transmitted to you in due course.

I have, &c.
JAMES MORGAN.

[E 6147/1575/44] No. 37.

Sir John Simon to Mr. Morgan (Angora).

(No. 417. Confidential.)
Sir, *Foreign Office, November* 2, 1933.

WITH reference to my despatch No. 246 of the 27th June, I have to state, for your own confidential information, that the interested Departments of His Majesty's Government have now concurred in my proposal that, in the event of the Turkish Government again raising the question of the remilitarisation of the Straits, His Majesty's Government should adopt the attitude outlined in paragraph 7 of Foreign Office letter of the 26th June to the Admiralty.

2. I consider it undesirable, however, that any premature indication should be given of the policy likely to be adopted by His Majesty's Government in this matter, and I accordingly request that, in the event of the Turkish Minister for Foreign Affairs broaching the subject in conversation, you will confine yourself as far as possible to listening to his remarks and to promising to report them to me for the consideration of His Majesty's Government.

I am, &c.
JOHN SIMON.

[E 6865/130/44] No. 38.

Mr. Morgan to Sir John Simon.—(*Received November* 12.)

(No. 33.)
(Telegraphic.) *Angora, November* 12, 1933.

MY telegram No. 32.

Minister for Foreign Affairs returned to Angora on 11th November from his tour in the provinces with Soviet delegation.

He again affirmed to me that Turkey had entered into no fresh engagements with U.S.S.R. and that Soviet visit had introduced no new element into Turco-Russian relations.

He said Turkey's attitude towards remilitarisation of the Straits was known. He had absolutely no intention of rushing matters at Geneva, but could afford to wait for a suitable occasion to pursue question again.

He developed an idea which he said he had been pondering and had not yet formulated openly, namely, that the four Great Powers' guarantee of open Straits described in article 18 of Straits Convention should be supplemented by one from interested fifth Great Power, Russia, or by a separate Turco-Russian agreement of similar bearing. The Four-Power guarantee seemed expressly directed against Russia, and in these days understandings implying aggression were everywhere deprecated.

(Repeated to Moscow, Saving.)

[E 6879/193/44] No. 39.

Sir P. Loraine to Sir John Simon.—(*Received November* 13.)

(No. 962.)

Sir, *Cairo, November* 4, 1933.

I HAVE the honour to inform you that the Turkish Minister celebrated the tenth anniversary of the foundation of the Turkish Republic by giving a soirée at the Legation on the 29th October last. Invitations were issued to the Residency, the Corps diplomatique, the Cabinet, to some high Egyptian officials and to a number of notables. I attended with Lady Loraine and was surprised to find that there were no Egyptian Ministers present. The Turkish Minister made no secret of his indignation at what he regarded as a deliberate boycott. According to him he had not only sent out invitations to all the Ministers, but also to twelve members of the Foreign Office. Yet not a single Egyptian official put in an appearance, except one minor Chamberlain of the Palace, who did not come as the representative of the King. Sevki Bey was quite convinced that his soirée had been deliberately boycotted on instructions from the King. He insisted that such universal abstention could not be fortuitous.

2. In view of the trouble which had arisen over the tarbouch incident last year I thought it advisable to approach the Prime Minister with a view to seeing whether anything could be done to smooth over matters between the Egyptian Government and the Turkish Legation. I therefore instructed the oriental secretary to tell him that I had been surprised to find no Egyptian Ministers at the soirée, that the atmosphere was obviously troubled, that evidently the Turkish Government would not be pleased by the absence of any Egyptian Government representative from this important fête, and that I would, therefore, like to know what the Prime Minister proposed to do with a view to conciliating the Turkish Minister. The Prime Minister stated that the absence of the Ministers was purely accidental and was due to the fact that they had been in Alexandria since the 26th ultimo, where, on the 29th ultimo, there had been a Cabinet Council under the presidency of the King. It was pointed out to Abdel Fattah Yehia that he and at least one other Minister had returned to Cairo at 10 o'clock on the night of the soirée. Anyhow, it was suggested to him, a national fête of this significance to which the Ministers had been invited some time beforehand was sufficiently important for the Government to make arrangements for its representation at it.

3. The Prime Minister admitted the reasonableness of this criticism, and remarked that the head of the Protocol should have kept the Cabinet up to the mark. He had sent the head of the Protocol to Sevki Bey to express his regrets and to explain the situation. By way of amends he was arranging that some of the Ministers should go to the soirée given by the Turkish Société de Bienfaisance that evening, *i.e.*, the 30th ultimo, and that he himself should be represented by Salib Samy Bey. Owing to a heavy cold he himself could not go out that evening.

4. In fact, the Ministers of Finance, War and Waqfs, the Governor of Cairo, one of the Under-Secretaries for the Interior and a junior Chamberlain, officially representing the King, attended this second soirée which was being given by the Société de Bienfaisance under the patronage of the Turkish Minister. The

Turkish Minister came in rather late, shook hands with the Egyptian Ministers and officials who were all sitting together, and then passed on and sat at a distant table as an ordinary guest. Discreet efforts of the oriental secretary to get him to go and talk to the Ministers were quite unsuccessful. He declared that this was not his party, that his party had been on the previous evening and had been boycotted by the Government. He had shaken hands with the Ministers on his arrival and he considered that he had fulfilled the requirements of courtesy. The head of the Turkish colony, the chief host, came up and told Sevki Bey that the Chamberlain had pointed out that, as he was representing the King, he would be put in a difficult position if Sevki abstained from sitting with him. Sevki returned a categorical answer to the effect that he would not go as this was not his party.

5. Fortunately, Zia Bey, the son of a former Turkish Ambassador in London, rather adroitly combined a simultaneous move to the buffet of the two tables at which the Ministers and Sevki Bey respectively were sitting. This resulted in a general contact with the Ministers, and Sevki finally was seen plunged in a long conversation with the Chamberlain. It is to be hoped that the Chamberlain was able to soothe him a little. Sevki Bey had previously told the oriental secretary that he was going to report the matter to Angora and that he did not know what his Government would do.

6. I can only hope that Sevki Bey's wrath will have cooled before he composes his report and that Angora will not take things tragically. It cannot be denied that the Egyptian Government, intentionally or unintentionally, have been guilty of an act of formal discourtesy. The head of the Protocol assured the oriental secretary that the abstention of the Egyptian Ministers and officials from attending the soirée at the Turkish Legation was purely fortuitous, but obviously it is not easy to make this appear credible to the Turks, who already have a prejudice against the Egyptian Government.

7. I am forwarding a copy of this despatch to His Majesty's Embassy at Angora.

I have, &c.
PERCY LORAINE,
High Commissioner.

[E 6977/533/44] No. 40.

Mr. Morgan to Sir John Simon.—(*Received November* 17.)

(No. 410.)

Sir, *Angora, October* 31, 1933.

WITH reference to Sir George Clerk's despatch No. 321 of the 16th August last, I have the honour to report that Hikmet Bey, until recently Secretary-General to the Presidency of the Republic and now Deputy for Manisa, has been appointed Minister for Public Instruction in succession to Reşit Galip Bey, whose duties were temporarily assumed by Dr. Refik Bey, Minister of Public Health. This disposes, for the present at least, of the rumour referred to in paragraph 3 of my despatch No. 405 of the 28th October, that Hikmet Bey was likely to succeed Fuat Bey, the newly-appointed Minister of Public Works.

2. A biography of Hikmet Bey will be found among the notes on leading Turkish personalities enclosed in Sir George Clerk's despatch No. 21, Confidential, of the 14th January, 1932. The judgment there quoted that Hikmet Bey is a "voracious reader without, however, the capacity of digesting or even appraising his material" seems to confirm Sir George Clerk's opinion, recorded in paragraph 5 of his despatch No. 321 of the 16th August last, that the next Minister of Education would hardly be possessed of Reşit Galip's qualifications for that important post.

I have, &c.
JAMES MORGAN.

[E 6978/533/44] No. 41.

Mr. Morgan to Sir John Simon.—(*Received November* 17.)

(No. 411.)

Sir, *Angora, October* 31, 1933.

IN continuation of my despatch No. 402 of the 28th October, I have the honour to report that the celebration on the following day of the tenth anniversary of the Turkish Republic passed off as successfully as the most ardent supporter of the new régime could have desired. The proceedings began with the reception of the Diplomatic Corps by the President of the Republic at the early hour of 9·15 A.M., when the Soviet Ambassador, as doyen, presented the congratulations of himself and his colleagues, laying stress on Turkey's cultural and economic progress in the past ten years. I enclose herein a copy of the Gazi's cordially-worded reply,(1) which he delivered in clear tones and with a French accent which might have been envied by many of the diplomatists present. All then left the Chamber of Deputies for the race-course, where the review was to be held. There, after a rather long interval of waiting, the arrival of the President was greeted with great enthusiasm, considering the rather undemonstrative Turkish nature and the fact that the crowd was composed of stolid villagers from the surrounding country as well as of towns-people from Constantinople, Smyrna and other urban centres.

2. The Gazi was accompanied by Voroshiloff, Karakhan and the other distinguished Russian visitors, referred to in my despatch No. 403 of the 28th October, who were Turkey's guests of honour for the occasion, and after driving slowly round the race-course, for a preliminary inspection of the troops, the presidential party took up their stand on the central tribune. The Gazi then opened the proceedings with an address to the Turkish people, which was audible to all present by means of loud-speakers and was also broadcast to the whole country. I enclose herein a copy of the French version, which was distributed among the Diplomatic Corps.(1) The speech was delivered with much emphasis and spirit and received with frequent applause, though it was noticeable that the references to the cultivation of the fine arts aroused no enthusiasm. The speech was remarkable for the fact that 61 per cent. of the words used in it were taken from early and primitive Turkish, 33 per cent. were words in common use to-day, and 6 per cent. were "literary" words—possibly unintelligible to the man-in-the-street. After the speech a choir, which had been practising strenuously for days, sang a special tenth anniversary hymn set to music by Zeki Bey, leader of the Philharmonic Orchestra of the Presidency of the Republic. In this connexion it is curious to note that a competition had been held to decide on a musical version of the new hymn, and Zeki Bey, one of the competitors, had obtained that his version alone should be commended, by the simple method of rendering his rivals' versions outrageously when his orchestra was called on to play all the versions before the Gazi.

3. The hymn was followed by a review which was, fittingly, on a more imposing scale than in past years, and was indeed a remarkable proof of modern Turkey's organising powers, not a single hitch occurring throughout. The martial bearing and general smartness of the troops, some 10,000 in number, were even more conspicuous than on previous occasions, which is saying a great deal, while as regards equipment, there were several new and interesting features, including a number of diminutive tanks, which I understand are of Russian manufacture. Regimental standards were carried for the first time. After the seemingly interminable ranks of boy scouts and girl guides which followed the fighting forces came detachments of women nurses, male and female university students, wrestlers, fencing girls and other athletes, and girls from the Ismet Pasha Enstitüsü and similar State institutions, but the most novel feature of this year's review was the participation, at the rear of the three hours' procession, of crowds of villagers on horseback or on foot, in native or European dress, including some women (mostly partly veiled) and even a few hojas. Each contingent was preceded by a banner, displaying the name of the village, behind which walked or rode the mayor, followed by the members of the village council. It was noticed that the Gazi, who was in excellent form throughout, acknowledged with special

(1) Not printed.

satisfaction the acclamations of these humble representatives of the nation, many of whom had no doubt served in the War of Independence under his command. At intervals during the review some eighty-odd aeroplanes came up from the distant horizon in moderately good formation and flew low over the heads of participants and onlookers, but, fortunately for all concerned, refrained from any attempt at "stunts" of a dangerous nature.

4. I will reserve for a subsequent despatch some account of the ball at the Angora Palace on the evening of the 29th October and of the ceremonies, connected with the anniversary celebrations, which took place on the two following days.

I have, &c.

JAMES MORGAN.

[E 6979/533/44] No. 42.

Mr. Morgan to Sir John Simon.—(*Received November* 17.)

(No. 412.)

Sir, *Angora, November* 1, 1933.

IN continuation of my despatch No. 411 of the 31st October, I have the honour to report that the official ball given at the Angora Palace on the night of the 29th October, in honour of the tenth anniversary of the Turkish Republic, was remarkable only for the more than usually dense crowds which thronged the rather limited space available, making dancing and indeed movement of any kind all but impossible. It had been intimated to the Diplomatic Corps that they would not be expected to attend in uniform, and as, moreover, the usual official dinner was omitted on this occasion, there was no possibility of a recurrence of the famous "fez incident" of last year. The omission got over the difficulty of satisfactorily seating the distinguished Soviet guests and the members of the Diplomatic Corps, and taken with the permission given to diplomatists not to wear uniform must have been a cause of relief to the Gazi himself, who may well have felt that, with the best will in the world, he might not be able to contain himself at the sight of the Egyptian Minister's offending headgear while in the condition necessitated by the joyousness of the occasion.

2. The Gazi arrived at the ball after midnight, accompanied by the Prime Minister, the Minister for Foreign Affairs, Voroshiloff, Karakhan and the other principal Russian visitors. As the Gazi entered arm-in-arm with Voroshiloff, it seemed to many that Turco-Soviet mutual support was indeed a necessity in the particular circumstances. The Gazi was, however, able to perform with a fair show of dignity the betrothal ceremony of Tevfik Rüştü Bey's daughter with a promising young official from her father's Ministry. The President emerged later from the buffet, leaning heavily on his Russian guests. After a rest in the room of the manager of the hotel, his Excellency was seen to leave the building at the unusually early hour of 3 A.M., with a much steadier gait than would have been thought possible a short time before.

3. The celebrations of the anniversary were continued over the two following days, during which the town remained gaily decorated by day and brilliantly illuminated by night. Meetings were held everywhere, and the achievements of the republic were explained to the public by hundreds of orators. The walls were eloquent with posters pictorially representing the superiority of the new régime over the ancient, and the press came out with 60-page editions describing the work of the past ten years. On the 30th October the new Agricultural Institute was formally opened, the large attendance including members of the Diplomatic Corps. On the same day the General Staff gave a tea-party at the Military Club in honour of the Russian visitors, and broke with their tradition of unfriendliness towards foreigners to the extent of issuing invitations to the whole Diplomatic Corps. The General Staff went further, and ordered that an afternoon party be given to foreign naval attachés on board the *Yavuz*, anchored in the Bosphorus. The principal event of the 31st October was the inauguration of a new hospital, a building equipped with the most modern fittings, regardless of cost, but possessing for the present only one nurse, a German. A permanent feature of the celebrations was an educational exhibition held in the Ismet Pasha Institute under the auspices of the Ministry of Public Instruction.

4. During the whole period of the celebrations messages of congratulation from every State poured in, and were given grateful publicity. The message from you, Sir, was one of the first to arrive and evoked a very cordial response. Great prominence was given to the *Times* article on the tenth anniversary of the republic. Special delegations from Germany, Hungary, Greece, Bulgaria, Yugoslavia and Roumania brought the good wishes of their respective nations, and the participation of official or non-official bodies in celebrations at Turkish diplomatic missions abroad were fully reported and acknowledged with great satisfaction.

5. In the universal chorus of congratulation and commendation the precocious young republic must have felt that in the short time of its existence it had arrived at man's estate, that it has attained a recognised prestige, and that it can take its place on equal terms among the nations of the world.

I have, &c.
JAMES MORGAN.

[E 6980/533/44] No. 43.

Mr. Morgan to Sir John Simon.—(*Received November* 17.)

(No. 413.)

Sir, *Angora, November* 2, 1933.

I HAVE the honour to report that the annual ceremony of the opening of the Grand National Assembly was performed, as in previous years, on the 1st November. A French translation of the speech delivered by the President of the Republic on this occasion is enclosed herein.(1)

2. The speech differs from the colourless utterance of a year ago in that it contains more or less cordial references by name to all the countries whose leaders have visited Turkey in the course of the last few months—Greece, Bulgaria, Yugoslavia, Roumania, Hungary and Russia. The Russian visit, though last in point of time, was given first place in the speech, and the Gazi's cordial references to the Russian friendship evoked instantaneous and hearty applause. In the case of Greece the cheers came noticeably late, but were hearty enough when the Deputies realised what was expected of them. The country which came off worst, both in the speech and the reaction of the Assembly, was Bulgaria, whose obdurate refusal to sign pacts with her neighbours has caused considerable resentment in political circles in this country.

3. Other points of interest in the speech were the Gazi's emphasis on the necessity of completing the industrial equipment of the country, and of taking a firm resolution to produce a balanced budget, and also the stress he laid on the importance to be attached to the means and the forces of national defence.

I have, &c.
JAMES MORGAN.

(1) Not printed.

[E 6985/178/44] No. 44.

Mr. Morgan to Sir John Simon.—(*Received November* 17.)

(No. 420.)

Sir, *Angora, November* 5, 1933.

WITH reference to Sir George Clerk's despatch No. 234 of the 19th June, 1933, with which was transmitted a copy of the Ottoman Bank's analysis of the Turkish budget for the financial year 1933–34, I have the honour to transmit herewith a copy of a memorandum prepared by the acting commercial secretary to His Majesty's Embassy on the subject of the financial position of the Turkish Treasury.

2. It is of interest to note in this connexion that the President of the Republic struck a note of warning in his speech at the opening of the Grand National Assembly on the 1st instant, urging the Assembly to take all necessary measures to ensure a balanced budget. The Gazi stated that the revenue estimates for last year had been completely fulfilled, but that it was still premature to make any pronouncement regarding the current year, and reminded the Assembly of the "incalculable disadvantages" of unbalanced budgets such as it had known in the past.

3. I am sending a copy of this despatch to the Department of Overseeas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 44.

Memorandum.

IN the semi-official *Milliyet* of the 22nd October last the leading article was devoted to an examination of the financial position of the Turkish Treasury, and the writer of the article stated that the actual revenue returns for the first four months of the financial year had fallen short of the budget estimates, particularly as regards customs duties, monopoly receipts and live-stock taxes.

The budget estimates for the three revenue items specified above were as follows:—

	£T.
Customs receipts	45,250,000
Monopolies (tobacco, salt, spirit) ...	31,800,000
Live-stock tax	11,250,000
	88,300,000

These taxes represent, therefore, over 50 per cent. of the total revenue (£T. 170,477,000), and if the transaction tax (£T. 12 million) be added, owing to the fact that its yield depends in some measure on that of the customs duties, it will be seen that 59 per cent. of the State revenues have fallen below their estimates.

In forwarding this article to its London and Paris offices, the Ottoman Bank has added the following confidential observations:—

Customs Duties.

Imports during the first three months of the present financial year amounted in value to £T. 19,864,341 as against £T. 24,052,359 during the corresponding period in 1932–33, whilst, on the other hand, the Turkish Government estimated the yield of customs duties during the current year at £T. 46 million as against actual receipts during 1932–33 of £T. 38,504,000. The Ottoman Bank are of opinion that the deficit under the heading of Customs during the full year will be in the neighbourhood of £T. 14 million, though this deficit may be reduced as a result of the increased duties applied as from the 1st September last and of an increase in imports later in the year.

Transaction Tax.

The deficit of revenues under this heading is estimated at £T. 1,500,000.

Monopoly Taxes.

The estimates of revenue for 1933–34 were as follows:—

	£T.
Tobacco	20,100,000
Spirits	4,500,000
Salt	7,200,000
	31,800,000

whilst the actual revenues encashed in 1932–33 were:—

Tobacco	18,107,820
Spirits	4,304,358
Salt	6,427,364
	28,839,542

During the first two months of the present financial year the actual receipts from monopolies were about £T. 750,000 less than those during the same period in 1932–33, and an appreciable deficit is to be anticipated.

Live-stock Taxes.

Although these taxes were reduced in 1931 and again in 1932, they are still too heavy in proportion to the value of the live-stock, with the result that farmers have killed off their herds in large numbers, and the yield of these taxes is, therefore, likely to be in deficit.

Conclusion.

The Turkish Government regulates its expenditure in accordance with the yield of the revenue, and it is probable that the worst effects of any financial difficulties will be mitigated by a campaign of strict economy and a reduction of departmental votes.

N. S. R.

November 2, 1933.

[E 6987/289/44] No. 45.

Mr. Morgan to Sir John Simon.—(Received November 17.)

(No. 423.)

Sir, *Angora, November* 8, 1933.

I HAVE the honour to report that the commercial *modus vivendi* agreement between Turkey and Italy, to which reference was made in the last paragraph of Sir George Clerk's despatch No. 406 of the 3rd October, 1929, has now been denounced by the Turkish Government and will come to an end in January 1934.

2. In reporting the denunciation of this agreement, the Turkish press states that it is desired to draw up with Italy a "clearing" agreement on lines similar to those recently concluded with France and Germany. In this connexion it is interesting to observe that, according to Turkish statistics, Italy has been for the past four years the principal importer of Turkish produce, and that the commercial exchanges between the two countries during this period have been in favour of Turkey. The import and export statistics are as follows:—

	Italy's Exports to Turkey. £T.	Italy's Imports from Turkey. £T.
1929	32,031,911	33,844,574
1930	20,377,518	32,010,583
1931	18,450,042	30,752,262
1932	11,074,200	16,358,814

3. If these statistics were to be taken as a basis, Italy would at least have nothing to lose by the conclusion of a "clearing" agreement with Turkey, but, as will be seen below, both countries are fully aware that the value of Italy's imports from Turkey is appreciably less than that shown in these returns, which include all shipments sent on consignment or in transit to Italian ports, and in particular to Trieste. It is probable that the greater part of these shipments is bought out of bond by other countries, and the Turkish Government will no doubt insist, if and when a "clearing" agreement is discussed, that only those shipments of Turkish produce which are actually cleared through the Italian customs shall be reckoned with in establishing the value of Italy's imports.

4. I have discussed the matter with the counsellor of the Italian Embassy, who told me that the Turkish Government has denounced the *modus vivendi* because the balance of Turco-Italian trade was in reality, despite statistics, adverse to Turkey. In arriving at this conclusion, the Turkish Government had taken into consideration the fact that many Turkish goods shipped to Italian ports, and classed as exports to Italy, were for non-Italian destinations, while many goods shipped from Italy to Turkey were from non-Italian countries. The Turkish Government calculated that the balance of trade between Italy and Turkey was annually adverse to the amount of £T. 1 million.

5. Baron di Giura said that his Government was taking the denunciation calmly, and was in no hurry to conclude an agreement to succeed the *modus vivendi*. On the other hand, the Turkish Government was pressing his Embassy to begin negotiations for an agreement, but was being put off by the excuse that the question had been referred to Rome. His Government could see no advantage in concluding an agreement equating imports and exports, as this would result in the disappearance of a trade balance favourable to Italy, and would oblige his Government, in order to bring about that disappearance, either to import more from Turkey—which was unnecessary, as most Turkish products were also produced in Italy—or to force Italian merchants to export less to Turkey—which his Government could not bring itself to do, as it would be a kind of trade suicide. His Government was unmoved by the threat of the Turkish Government to export its produce via the Danube instead of via Italy, for the Turkish Government could not ignore geography, and would have to use Italian ports for its transit trade with Central Europe.

6. Baron di Giura added that the balance of impatience to conclude a new agreement was on the Turkish side. In discussions between his Embassy and the Turkish authorities the Embassy had represented to the latter that they could not expect to have a favourable trade balance with every foreign country, and further that it was unreasonable to take figures of trade imports and exports as being the only method of determining whether a nation's capital was being transferred to another nation or not. It had, however, been found that the Turkish authorities were not to be moved by orthodox economic arguments. It might be that the passage of time and Italy's indifference would induce Turkey to change its present attitude.

7. I am sending a copy of this despatch to His Majesty's Ambassador at Rome and to the Department of Overseas Trade.

I have, &c.

JAMES MORGAN.

[E 6991/325/44] No. 46.

Mr. Morgan to Sir John Simon.—(Received November 17.)

(No. 429. Confidential.)

Sir, *Angora, November* 10, 1933.

WITH reference to my despatch No. 428 of the 9th instant, regarding the progress of the negotiations between the representative of Messrs. Curtiss-Wright and the Turkish Government for the development of civil air services in Turkey, I have the honour to submit the following outline of the proposals made to the Turkish Government by Messrs. Curtiss-Wright. This information has been furnished confidentially to a member of the staff of His Majesty's Embassy by Major Hulse, the American Air Adviser to the Ministry of National Defence. A sketch map showing the routes proposed by Messrs. Curtiss-Wright is attached.(1)

2. The focal point of the system will be Kayseri, where the existing aircraft factory will be extended so that it will be capable of producing all the machines, including motors and spare parts, that the Turkish Government will require for these services. It is proposed that the Turkish services should link various foreign services; connexions will be made with Greece at Athens via Smyrna, with Central Europe at Budapest, with Russia at Tiflis via Erzerum, with Persia at Tehran via Lake Van, and with Iraq at Mosul and Bagdad via Aleppo. It is estimated that in some cases international services will save as much as forty-eight hours between Europe and the Middle East by making connexions with the services across Turkey, owing partly to the shorter route and partly to the fact that faster planes than those now used by Imperial Airways and Luft-Hansa will be employed.

3. It is estimated that the total cost of the necessary equipment, including the provision of airports, emergency landing-grounds, wireless service, wireless beacons, &c., will be about £T. 3 million, and that the first year's working of the whole service would cost about £T. 500,000. Curtiss-Wright are mainly interested in securing an agreement for the supply of all the necessary equipment

(1) Not reproduced.

and will only finance the undertaking if absolutely necessary. They propose that the services should be initiated with six of their "Condor" machines, which have two motors and can carry fifteen passengers and 1,000 lbs. of freight at a mean speed of 160 miles per hour.

4. Curtiss-Wright have suggested that the route via Istanbul, Eskişehir, Konya and Adana should be left open for the international services of foreign air lines in order to secure reciprocal treatment for foreign services which will be run by the Turkish Government, but at the moment the Turkish Government are inclined to be unwilling to grant this concession because they would prefer to have a monopoly of air services over Turkey.

5. In drafting the above plans Curtiss-Wright have given full consideration to the establishment of connexions with foreign air and railway services and to the possibilities of present and future economic development in neighbouring countries. It is possible that special freight services will also be run in due course.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 6992/130/44] No. 47.

Mr. Morgan to Sir John Simon.—(Received November 17.)

(No. 433.)

Sir, *Angora, November 10, 1933.*

IN continuation of my despatch No. 403 of the 28th October, regarding the arrival in Turkey of a considerable Soviet delegation for the purpose of returning a visit paid to Russia by the Turkish Prime Minister and his suite in 1932, and of taking part in celebrations on the occasion of the tenth anniversary of the establishment of the Turkish Republic, I have the honour to report that the delegates stayed in Angora from the 27th October to the 1st November, and then left for Smyrna via Eskişehir, Kutahya and Balikesir, in which last place they halted for less than an hour. While at Smyrna, a visit was made to the historic ruins at Bergama. On leaving Smyrna, the delegation visited the Dardanelles battlefields and Troy, and arrived in Constantinople on the 6th November. After a short excursion to Mudania and Brusa, the delegation returned to Constantinople, whence it sailed early in the morning of the 10th November for Russia. With it went a Russian aeroplane detachment, which had come to Turkey, under the command of Air General Ilin, to present four aeroplanes to the Turkish army. (A local newspaper, reporting on one of these aeroplanes, stated that it could carry fourteen passengers.) After delivering the aeroplanes at Angora the air detachment, flying twelve aeroplanes, visited Eskişehir, where there is an aviation school and repair shops, and rejoined the main delegation at Constantinople, carrying with it a promise that a Turkish air flotilla would visit the U.S.S.R.

2. The enthusiasm of the Turkish authorities during the stay of their Soviet guests was extreme, their hospitality lavish and continuous, and their welcome of the warmest. The Soviet guests rose to the occasion with an ever-increasing affability. Utterances on both sides were of the most flattering and amiable character. The Turkish press went early into ecstasy and remained there. Tevfik Rüştü Bey lived with the delegation day and night and accompanied them everywhere. The Ministry of Defence threw off its reserve, lifted the veil of secrecy and showed the Soviet delegates its army, navy and air force, its military establishments, its military factory at Kirik Kale and its aeroplane school at Eskişehir. It organised social functions to enable Turkish officers to fraternise not only with the Russians but with other foreigners, and lodged the Soviet officers at Angora in the Turkish officers' club. Fevzi Pasha, Chief of the General Staff, Ali Sait and Fahrettin Pashas, Inspectors of the Ist and IInd Armies respectively, were in constant touch with the delegates, and Izzettin Pasha, Inspector of the IIIrd Army, accompanied them to the Dardanelles and showed them over the battlefields. The Soviet delegates declared themselves much impressed with all they saw, and especially admired the discipline and strength of the defence forces and the quality of the defence organisation.

3. The civil authorities conducted the Soviet mission to Turkish schools, museums, cotton mills at Smyrna, an agricultural institute and a model hospital at Angora (both fully equipped with the most up-to-date German apparatus), a sugar refinery at Eskişehir, exhibitions of fine arts, commerce and education at Angora, and silk factories at Brusa, and thus gave striking proof of Turkey's cultural and economic progress.

4. As was to be expected, at every international function during the festivities connected with the anniversary of the establishment of the Turkish Republic, the presence of the Soviet delegation overshadowed all else. At the review of troops on the 29th October the Soviet delegates took the place of honour near the Gazi, and saw 10,000 Turkish troops pass before them, followed by boy scouts, girl guides, athletes, university students and villagers. Little was seen on that occasion of the delegations of highly-placed Germans, Hungarians, Bulgarians and Greeks, of the Yugoslav journalists and the Roumanian Moslems who had come to Angora to join in Turkey's rejoicings. At the opening of the Grand National Assembly on the 1st November, where the representatives of the U.S.S.R. occupied the presidential box, the Gazi's reference in his speech to Turco-Soviet friendship, "tested through fifteen years, and an important factor in international peace," was welcomed with exceptional applause. On the 29th October the usual official dinner to the Diplomatic Corps was omitted because the Protocol Department of the Ministry for Foreign Affairs could not solve the problem of seating Soviet representatives and diplomatists to the satisfaction of both. So the diplomatists went hungry, while the Russians dined with the Gazi in the presidential house.

5. Public speeches were delivered by Ismet Pasha and M. Voroshilov at the official banquet given to the Soviet delegation at Angora on the 28th October. Ismet Pasha kept to generalities. He recalled that Kemalist Turkey had established its first international contact with the U.S.S.R., and that the friendship then established, based on a respect for each other's institutions, had developed into closer rapprochement, and into collaboration for mutual good. He prophesied a brilliant future for Turco-Russian friendship. M. Voroshilov's reply was less vague. He said that the fact that Turkey and the U.S.S.R. were bound in the bonds of the closest friendship was universally known and gave rise to no suspicions in any quarter. Their friendship was tested during the years of effort of both nations to protect the cause of peace against dangers which threatened it. The U.S.S.R., fighting for its existence against the armed intervention of foreign imperialists, followed with sympathy Turkey's struggle with enemies aiming at the destruction of its independence. Turkey's victory was regarded as a success of both countries. Their friendship would grow more intense, their economic and cultural association would become closer in coming years. Their rapprochement would be a valuable contribution to the cause of universal peace. But all friends of peace must take all steps to protect their peoples from sanguinary wars. The efforts of Turkey and the U.S.S.R. for peace would be ineffective unless backed by a firm resolution to defend at all costs their own independence. Neither had any ideas of conquest; the armies of both were factors for peace, but both must continually consolidate the defensive capabilities of the two countries, and develop and improve the strength of their two armies. In the economic and cultural field, the U.S.S.R., which is now successfully executing its second quinquennial plan, notes with joy Turkey's successes, and announces that it is determined to give a wide expansion to Turco-Soviet economic, cultural and scientific collaboration.

6. I enclose the text of a Turkish communiqué,(1) issued on the 3rd November, on the conclusion of the Soviet visit to Angora. It emphasises that the Soviet delegation has come to return the visit made by Ismet Pasha to Moscow in 1932, and that the collaboration of the two countries has as its sole aim the consolidation of peace.

7. On the occasion of the final departure of the delegation from Constantinople, Ismet Pasha made a declaration to the Anadolu Agency to the effect that the U.S.S.R. representatives had been received several times by the Gazi, who had had official and semi-official conversations with them on all the questions which were of interest to the two countries. The result of these conversations was that Turco-Russian friendship was closer than ever, and would become still closer in the cause of peace.

(1) Not printed.

8. The tenor of the affirmations of both sides is that there will be a mutual strengthening of friendship for the purposes of world peace. There is no reference to any fresh agreements between the two countries. Undoubtedly the military character of the head of the Soviet mission and the visit to the Dardanelles have given rise to the suspicion that a military collaboration has been arranged, and that support has been promised for Turkey's proposal to remilitarise the Straits, but I can find no proof that such results have proceeded from the visit. As I reported in my telegram No. 32 of the 1st November, Tevfik Rüştü Bey denied that any fresh Turco-Russian understanding had been come to. The counsellor of the Embassy of the U.S.S.R. also confirmed Tevfik Rüştü Bey's denial. He added, it is true, that the friendship of the two countries was such that formal agreements were unnecessary and fresh pacts could add nothing to that friendship. The Roumanian Minister, deeply suspicious, thinks, nevertheless, that the U.S.S.R. and Turkey can hardly be so cynical as now to enter into a military understanding which would discount, so shortly after their conclusion, the value of the agreement recently made between Roumania and Turkey, and of Roumania's approach to Russia following on her adherence to the pact defining an aggressor.

9. There is no doubt that, short of a military understanding, and taking into consideration Tevfik Rüştü Bey's often repeated declarations that Turkey intended to be on friendly terms with all nations and to enter into entangling alliances with none, Turkey's friendship with Russia could hardly be greater, and the two countries could hardly be in more close association. The long stay of the Soviet delegation in Turkey and its tours in the country may be considered to be due to the desire to show an adequate appreciation of the 1932 Turkish visit to Russia, which lasted about a fortnight. The close association of the two countries needed no publicly advertised inspections of Turkish military establishments and military points of interest to reveal its character. A friendship which manifests itself by presenting even a few guns, tractors, tanks and aeroplanes needs, as far as its utility to Turkey is concerned, no formal agreement Indications in Turkish official circles of sympathy with the U.S.S.R. *vis-à-vis* of Japan are symptomatic of the friendship. This friendship is a fact to be taken into consideration. Its confirmation by a formal agreement would definitely fix Turkey's position in the world grouping of Powers—a situation which Turkey hardly yet feels strong enough to desire. Until the time comes—and Turkey is rapidly growing in strength and prestige—Turkey is likely to take all the Russian help it can without committing itself, and in the meantime will aim at strengthening its forces so as to be able, if it so desires, to choose neutrality, and ensure it in any conflict involving its Russian neighbour.

10. I am sending a copy of this despatch to His Majesty's Ambassador in Moscow.

I have, &c.
JAMES MORGAN.

[E 6998/533/44] No. 48.

Mr. Morgan to Sir John Simon.—(Received November 17.)

(No. 440.)
Sir, *Angora, November 11, 1933.*

I HAVE the honour to report that Herr Nadolny, until lately German Ambassador to Turkey and chief German representative at the Disarmament Conference, recently arrived at Angora as special German delegate, in order to be present at the official celebration of the tenth anniversary of the Turkish Republic. Herr Nadolny was received by the Turkish President on the day of the anniversary itself, despite the formidable demands on the latter's time which the celebrations must have entailed, and presented to his Excellency a cordial personal letter of congratulation from President Hindenburg, a French translation of which, as published in the press, is enclosed herein.

2. According to several Turkish newspapers, Herr Nadolny stated on this occasion that Germany was not arming, and that the propagandist assertions to the contrary emanated from those who wished to maintain the *status quo* of Versailles.

3. I am sending a copy of this despatch to His Majesty's Ambassador at Berlin.

I have, &c.
JAMES MORGAN.

Enclosure in No. 48.

Letter of Congratulation from President Hindenburg to President of the Turkish Republic on the Occasion of the Tenth Anniversary of the Turkish Republic.

(Traduction.)
M. le Président,

A L'OCCASION du dixième anniversaire de la République turque, je présente à votre Excellence et à la nation turque mes félicitations les plus cordiales et celles du peuple allemand.

Tout le monde allemand, avec moi-même, a suivi avec un profond intérêt la consolidation, sous votre haute direction, de l'État turc moderne. Nous avons vu, avec une grande admiration, comment vous avez éveillé le nationalisme turc, comment vous l'avez fortifié et de quelle main avisée vous avez ouvert, à votre nation laborieuse et progressive, la voie pour son élévation politique et économique, qui attire l'admiration du monde entier.

Il m'est un besoin d'assurer à votre Excellence que le peuple allemand n'oubliera jamais l'amitié qu'il a rencontrée, en des temps d'épreuves, chez la nation turque; au contraire, il la gardera toujours, il l'approfondira.

Je souhaite à votre haute nation un avenir encore plus heureux avec un progrès pacifique et une solide administration d'État.

Profitant de cette occasion, je forme les plus grands vœux pour votre bonheur personnel et je vous prie d'accepter ma haute considération et ma sincère amitié.

VON HINDENBURG.

[E 7079/83/44] No. 49.

Mr. Morgan to Sir John Simon.—(Received November 20.)

(No. 447.)
Sir, *Angora, November 14, 1933.*

I HAVE the honour to report that the Minister for Foreign Affairs asked me two days ago when Sir Percy Loraine was expected to arrive in Angora, and was disappointed to learn that he would not likely be here before the middle of January. Tevfik Rüştü Bey said that he wished to initiate negotiations with his Excellency for a new commercial agreement, as Turkey was losing money on her present exchange of trade with the United Kingdom. British purchases from Turkey had, he said, continued to decline since the Ottawa Conference, and at the same time the United Kingdom was sending as many goods to Turkey annually as in the past. As a result, Turkey was losing foreign exchange and something would have to be done, since she could not afford to allow the drain of currency to continue.

2. I told the Minister that many of the Turkish goods consigned to continental ports were actually destined for the United Kingdom, and that in reality Anglo-Turkish trade showed approximately equal figures at the end of each year. His Excellency replied that if this was so he could forbid the export of exchange to the United Kingdom without hindering trade or causing inconvenience. I said that it was preferable that he should wait, before doing this, until the situation could be thoroughly explored and that I would, as he

had requested, have the matter investigated before Sir Percy Loraine arrived. I have asked the commercial secretary to His Majesty's Embassy to furnish me with his observations on the subject, and a further report will follow as soon as possible.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 7195/130/44] No. 50.

Viscount Chilston to Sir John Simon.—(*Received November* 24.)

(No. 629.)

Sir, *Moscow, November* 18, 1933.

WITH reference to Mr. Strang's despatch No. 585 of the 24th October, I have the honour to transmit to you herewith a translation,(1) extracted from the *Moscow Daily News*, of telegrams sent by Kalinin to Mustafa Kemal and by Molotov to Ismet Pasha on the occasion of the return to Moscow of the delegation sent to Turkey by the Central Executive Committee and the Council of People's Commissars of the U.S.S.R. to take part in the celebration of the tenth anniversary of the Turkish Republic.

2. The visit has aroused considerable enthusiasm in the Soviet press. In an article in the *Pravda* of the 14th November stress is laid upon the mutual interests of the two countries and the similarity of their recent development. The national elements of Turkey gained their victory against a backward, clerical and autocratic Administration, against the *Entente* and against Anglo-Greek intervention. They drew their strength from a legitimate hatred of two oppressions—plutocracy and foreign imperialism. It was the October revolution that destroyed their ancient enemy, Russian imperialism. The Soviet delegation saw with their own eyes the results of ten years of labour in the new Turkey; but the first thing they saw was the immense prestige enjoyed by the Soviet Union among the toiling masses of Turkey. The hospitable welcome accorded to them proved how deeply friendship for the U.S.S.R. has permeated the mass of the Turkish people.

3. I beg leave to enclose herein a translation of an article by Karakhan upon Soviet-Turkish relations, which appeared in the *Izvestiya* on the 28th October, in which special stress is laid upon cultural relations between the two countries.(1)

4. In all Soviet press comment the fundamental differences between the Constitution of the Turkish Republic and that of the U.S.S.R. are calmly ignored, and it is probable that the ordinary uninstructed Russian reader is under the impression that there is little, if any, difference between the two.

5. I am sending a copy of this despatch to His Majesty's Ambassador at Angora.

I have, &c.
CHILSTON.

(1) Not printed.

[E 7371/325/44] No. 51.

Mr. Morgan to Sir John Simon.—(*Received December* 1.)

(No. 456. Confidential.)

Sir, *Angora, November* 18, 1933.

WITH reference to my despatch No. 429 of the 10th instant, regarding the proposals put forward by the Curtiss–Wright Corporation for the development of civil air lines in Turkey, I have the honour to append below a further account of the progress of these negotiations, as given by Major Hulse to a member of the staff of His Majesty's Embassy.

2. Major Hulse stated that Commander Leighton's ultimatum, reference to which was made in my despatch No. 428 of the 9th instant, had been instrumental in arousing the enthusiasm and close interest of Ismet Pasha in the project; the latter had promised that legislation would be introduced for the purpose of transferring the administration of the civil air lines from the Ministry of National Defence to the Ministry of National Economy, an arrangement which Curtiss–Wright had suggested at the time of their establishment, as from June 1934. Commander Leighton proposed to Ismet Pasha a five-year programme for the supply and installation of the necessary equipment of a first-class air line system; the total cost would amount to approximately £T. 10 million (not £T. 3 million, as erroneously stated in my despatch No. 429 of the 10th instant), and the first year's work and equipment would cost between £T. 2,500,000 and £T. 3 million. It was pointed out to Ismet Pasha that the total cost of the whole service would amount to only a fraction of what he proposed to spend on the construction of railways. It was suggested that at the terminal points of the system outside Turkey, viz., Athens, Bagdad, Tehran, Aleppo and Erivan (the last of which is now preferred to Tiflis as the point of connexion with Russian air services), the Turkish service should set up and maintain hangars and depots itself by arrangement with the various countries concerned. Ismet Pasha gave Commander Leighton a verbal assurance that the Curtiss–Wright Corporation would get the contract for the supply of the necessary equipment if a decision to proceed with the scheme were taken.

3. In the light of later information supplied by Major Hulse it is necessary to make two amendments in the sketch map enclosed with my despatch No. 429 of the 10th instant. The line from Erzerum to Russia should be shown as terminating at Erivan instead of Tiflis, and the line from Constantinople to Smyrna should be shown as proceeding overland via Balikesir. It is considered unnecessary to use seaplanes on the Constantinople–Smyrna–Athens route in view of the comparative shortness of the sea crossings.

4. The aircraft factory at Kayseri would remain subject to the administration of the Ministry of National Defence, as its primary object was the manufacture of military machines.

5. Ismet Pasha made a very thorough investigation of this factory in company with the Minister of National Defence, the Under-Secretary of State for Air and Commander Leighton, and displayed considerable annoyance with the Turkish staff, who, by their inefficiency and obstructive attitude, had hindered the efficient working of the establishment. Zekai Bey, the Minister of National Defence, was soundly rated in the presence of the Americans and the Turkish staff for having allowed such a state of affairs to exist. Among other desiderata, Ismet Pasha ordered the immediate clearance from the Customs of a supply of aeroplane parts which had been awaiting clearance for some months and the non-arrival of which had prevented the fulfilment of Curtiss–Wright's obligations in respect of the assembling of machines at the factory.

6. With regard to the existing civil air line between Constantinople and Angora, the spare parts necessary for the complete overhaul of the two Curtiss–Wright Kingbird machines employed on this service have at last been ordered, but the service will not be resumed until the 1st March next, as from which date it is proposed to run a six-days-a-week service between Constantinople, Angora and Kayseri. In view of this proposal, arrangements are being made to instal the required apparatus for lighting the aerodrome at Constantinople so that landings can be made after dark on the return journey from Kayseri.

7. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's Ambassador in Washington.

I have, &c.
JAMES MORGAN.

[E 7374/1506/44] No. 52.

Mr. Morgan to Sir John Simon.—(*Received December* 1.)

(No. 459.)

HIS Majesty's Chargé d'Affaires in Turkey presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of report No. 2 from His Majesty's military attaché at this Embassy dated the 17th November, 1933, respecting the attitude of the Turkish Government towards foreigners in Turkey.

Angora, November 20, 1933.

Enclosure in No. 52.

Major O'Leary to Mr. Morgan.

(No. 2.)

Sir, *Angora, November* 17, 1933.

THE secretiveness and suspicion, amounting at times to xenophobia, by which the authorities of this country hamper the activities of foreigners are, perhaps, partly the result of years of disillusion in dealing with Europeans and partly an intrinsic feature of the Turkish character. It must in any case be admitted that, in spite of the fact that the pacific and candid policy professed by the present Government is generally accepted as genuine, there are few signs of relaxation either of police supervision or of those annoying restrictions which largely reduce the possibility of useful work and discourage some enterprises altogether. On the contrary, several recent incidents may be recorded, such as the expulsion of two missionaries from Naraç and the almost infantile behaviour of the authorities in Adana when two British botanists visited the district, to justify a diagnosis of persecution-mania.

The responsibility for this behaviour is usually allotted to the General Staff. It is true that reasons of military expediency are often quoted as an excuse for refusing any information or closing any district, and that the veil of secrecy is more opaque than ever when it conceals details of military organisation or equipment. But it is possible that other members of the Government find it as convenient to blame the soldiers for this ungracious attitude as did David Copperfield's father-in-law when he attributed all his unfavourable decisions to his invisible partner, Mr. Jorkins.

In so far as the secretiveness of the army is due to an aversion to exposing its deficiencies to the representatives of the better equipped States, it is worthy of sympathy. It is significant, however, that among the maxims which are taught to the Turkish soldier is the phrase "To one's officers, one tells everything; to a neutral, nothing; to an enemy, lies."

I am told on good authority that the Sub-Chief of the General Staff, Asim Pasha, is the greatest apostle of xenophobia, and that many of the younger generals consider that the time has come to adopt a less lamaistic attitude. The same informant tells me that Ismet Pasha condemned this ultra-secretiveness in an outburst at Cankaya, a few weeks ago, saying that, as the function of the army was to assure peace, it could only do so by inspiring respect, and that it was difficult for foreigners to respect a force which they had no means of estimating.

It may be due to this expression of opinion by the Prime Minister that the General Staff have made one or two gestures lately which suggest a desire to be slightly more communicative. The visits to regiments which I described in my despatch of the 29th July, 1933, to Sir George Clerk were followed by an invitation to the naval attachés to inspect the battleship *Yavuz*, and one to the whole Diplomatic Corps to a reception at the new officers' club in Angora. On these occasions the Turkish officers made every effort to be friendly and open, and more cordial relations were attained than at any previous time in my experience.

The cynic may feel that this apparent openness does not indicate a change of heart, but is merely proof that the General Staff has developed a better

technique of secrecy, substituting a Chinese blandness for its former Tibetan taciturnity. To say so, however, would be ungracious, and I have, on the contrary, expressed my satisfaction at finding myself in closer touch with my Turkish brother officers.

I have, &c.

B. J. O'LEARY, *Major, G.S.*

[E 7377/130/44] No. 53.

Mr. Morgan to Sir John Simon.—(*Received December* 1.)

(No. 467.)

Sir, *Angora, November* 23, 1933.

WITH reference to my telegram No. 33 of the 12th instant, I have the honour to report that the Turkish Minister for Foreign Affairs accompanied the Soviet delegates on their tour to Smyrna and to the Dardanelles area, where the delegates visited Hill 971 on the peninsula, and Erenköy, Troy and Kumkale on the mainland. On their return to Constantinople, Tevfik Rüştü Bey gave a ball in their honour at the Dolmabahçe Palace. The ball was attended by about 1,000 guests. As reported in my despatch No. 433 of the 10th instant, the Soviet delegates left Turkey on the night of the 10th–11th November. They travelled in the Turkish steamer *Izmir*, which had been placed at their disposal by the Turkish Government, and were accompanied to Odessa by Izzettin Pasha, inspector of the IIIrd Army (a group stationed on the Turco-Russian frontier), and Muzaffer Pasha, commander of the 4th Division.

2. Tevfik Rüştü Bey returned to Angora on the 11th November. I saw him on the same day at a reception given at the Italian Embassy on the occasion of the birthday of His Majesty the King of Italy, and took the opportunity of asking him about the results of the visit of the Soviet delegation. He said that, as he had affirmed to me before leaving for his provincial tour with the delegates, and notwithstanding the pronouncements of journalists, no new Turco-Soviet agreements had been made, and no new engagements had been entered into either during or as a consequence of the Soviet visit. The visit had no special significance, but the existence of Turco-Soviet friendship would certainly be a factor of peace and stability in the Far East, and would be, therefore, of value and of use to His Majesty's Government and to the United States. He then went on to speak of the Straits Convention, as reported in my telegram under reference. He said that he was studying article 18 of the convention. Certain ideas were simmering in his mind. He had not yet spoken of them to anyone, as they had not taken definite shape. They were still inchoate. At this stage of his study of the guarantee mentioned in article 18, it seemed to him that the fact that four Powers, not content with being anonymously included among the "high contracting parties," had pledged themselves also by name to parry any danger that might threaten the principle of open Straits had a certain significance. It looked as though the four Powers anticipated that danger might come from some particular quarter. That quarter could only be the U.S.S.R. (he left Roumania out of consideration, as it was a small Power possessing no fleet). This being so, he took into consideration the fact that the spirit of later pacts than the Treaty of Lausanne, *e.g.*, the Pact of London, was alien to the notion of association of groups in a guarantee which seemed to be exclusively aimed at another group. What was wanted was a guarantee of a general non-directional nature. He was therefore thinking that this might be achieved if the name of the U.S.S.R. were associated in the guarantee with the names of France, Great Britain, Italy and Japan, or if a separate agreement embodying a guarantee identical in terms with that contained in article 18 were concluded between Turkey and Soviet Russia. However, the matter was still engaging his attention, and was still germinating in his brain.

3. I have tried in the previous paragraph to set out Tevfik Rüştü Bey's remarks somewhat more clearly and more coherently than he gave them out himself. It was obvious that he has not yet thoroughly explored all the ramifications of his idea or examined its consequences. The notion is still fluid, and it may be that, when he has devoted further thought to the matter, he may find it impracticable and may drop it. Is it possible that he thinks that the mention by

name of the four Powers constitutes an aggressive coalition which it is now his fashion to deprecate, or suggests a distinction or hints at an inequality between Powers, which he finds no longer tolerable? Or does he wish to make Soviet Russia bind herself explicitly to defend the freedom of navigation of the Straits or the security of the demilitarised zones? Or, again, is he acting on the suggestion of a Russia desirous of binding herself thus explicitly? Or yet again, does he, by the establishment of a Turco-Russian guarantee, wish to be in a position one day to declare that article 18 is obsolete, seeing that the two Powers most directly concerned assume the guarantee contained therein? In the present embryonic state of Tevfik Rüştü Bey's ideas I cannot say.

4. In connexion with Tevfik Rüştü Bey's utterances on other topics, and in particular with his references to the remilitarisation of the Straits, he let drop a remark which seemed to me of interest, namely, that it was his habit, before launching any new scheme of any moment, to give some inkling of his intentions to the world at large through the foreign press. He instanced the proposal for the remilitarisation of the Straits zones, which he claimed to have foreshadowed in the columns of the *Daily Telegraph* (or the *Daily Mail*—he could not remember which) three or four months before the Turkish Government announced it in Angora.

5. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow.

I have, &c.
JAMES MORGAN.

E 7379 83 44

No. 54.

Mr. Morgan to Sir John Simon.—(*Received December* 1.)

(No. 470.)

Sir, *Angora, November* 23, 1933.

WITH reference to Sir George Clerk's despatch No. 301 of the 5th August last, and to connected correspondence on the subject of Turkish import restrictions, I have the honour to report that the attention of the commercial secretary to His Majesty's Embassy was recently drawn by an importer to certain quota allocations in the current list "M" under tariff items 381/C and 381/D relating to cotton fabrics. A table is attached showing a comparison between British and German exports of such goods to Turkey during 1930 and those authorised for the current quarter.(1) It will be seen that, whereas the quotas allocated to the United Kingdom in respect of the above-mentioned items are not in proportion to the volume of our trade in a normal year, the quotas allocated to Germany are excessive, for, while in a normal year Germany's exports to Turkey of such items only amounted to 2·9 per cent. and 6·5 per cent. respectively of the total volume, the quotas allocated in list "M" for the period October–December 1933 amount to 5·1 per cent. and 20 per cent. respectively. The allocations to the United Kingdom, on the other hand, have been reduced from 23·5 per cent. to 19·2 per cent. for tariff item No. 381/C and from 3 per cent. to 2·5 per cent. for item No. 381/D.

2. In the course of a recent visit to Angora, Colonel Woods made verbal representations to the director of the Quota Department of the Ministry of National Economy in connexion with certain consignments shipped by Messrs. the Hollins Mill Co. (Limited), to their clients in Constantinople, which have been lying at the Customs owing to the insufficiency of quota allocations in list "M" for tariff items 381/C and 381/D, and handed him an aide-mémoire on the subject. Colonel Woods laid stress on the fact that, independently of quota insufficiency in respect of United Kingdom goods, the allocations for the current quarter constituted flagrant discrimination in favour of Germany.

3. In his reply, the director admitted discrimination and stated candidly that every means would be found to oblige certain countries which had no clearing agreement with Turkey to negotiate one, and that list "M" would serve to bring pressure to bear in this direction. Although the tariff items in this list were outside the scope of existing clearing agreements, Colonel Woods was informed that he would find a footnote in the list "M" for the period January–March 1934 authorising countries having clearing agreements to import treble the quotas

allocated to them therein. The director added that, in the absence of a clearing agreement between His Majesty's Government and Turkey, it would be of no avail for His Majesty's Embassy to apply for an additional quota in respect of the above-mentioned tariff items.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

(1) Not printed.

E 7380/4963/44

No. 55.

Mr. Morgan to Sir John Simon.—(*Received December* 1.)

(No. 473.)

Sir, *Angora, November* 24, 1933.

WITH reference to Sir George Clerk's despatch No. 322 of the 16th August last, I have the honour to report that the new University of Istanbul was solemnly inaugurated on the 18th November in the presence of the recently appointed Minister of Public Instruction, Hikmet Bey, and numerous Turkish Deputies and other leading personalities.

2. Much stress has been laid on the fact that the opening of the reorganised institution marks a complete break with the past, the new "Universite," as it is called in "Turkish," having no connexion with the old "Darulfunun," the Arabic name by which its predecessor was known in the "Ottoman" language, beyond the fact that it is housed in the same buildings.

3. To cover the cost of reorganisation, a law has been hastily passed authorising the Minister of Public Instruction to incur an expenditure of £T. 1,426,374.

I have, &c.
JAMES MORGAN.

E 7424/5767/65

No. 56.

Mr. Mallet to Sir John Simon.—(*Received December* 4.)

(No. 23. Saving. Confidential.)

(Telegraphic.) *En clair.* *Tehran, November* 11, 1933.

CONSTANTINOPLE telegram No. 28.

Head of Russian section in Ministry for Foreign Affairs states that the idea suggested by the Persian Government of a five-Power pact was discussed during Karakhan's recent visit. Karakhan said idea appeared very sound and that the U.S.S.R. thoroughly approved of non-aggression pacts. He would bear idea in mind on his return to Moscow.

(Repeated to Constantinople, No. 2, Saving; Bagdad, No. 10, Saving; and Moscow, No. 3, Saving.)

E 7736/289/44

No. 57.

Mr. Morgan to Sir John Simon.—(*Received December* 14.)

(No. 505.)

Sir, *Angora, December* 9, 1933.

WITH reference to my despatch No. 423 of the 8th November last, regarding the denunciation by the Turkish Government of the existing Turco-Italian commercial *modus vivendi*, I have the honour to report that statements have recently appeared in the Turkish press to the effect that the Italian Government had expressed a desire to conclude a treaty of commerce with Turkey, that the

negotiations would be conducted in Rome, that Numan Bey, Secretary-General of the Ministry for Foreign Affairs, who was to be principal Turkish delegate, would leave for Rome before the end of December, and that the new treaty would probably be in the form of a clearing agreement similar to those concluded by Turkey with France and Germany.

2. In answer to an enquiry, the counsellor of the Italian Embassy to-day informed a member of the staff of His Majesty's Embassy that these statements were largely misleading. It was the Turkish Government and not the Italian which had been pressing for a new agreement, as reported in paragraph 5 of my despatch under reference, and it was Numan Bey who had suggested Rome as the seat of the negotiations and himself as the principal Turkish delegate. Baron di Giura confirmed that the Turkish delegation was expected to leave for Rome about the end of December, but added that, as regards the last-mentioned statement in the Turkish press, the Turkish wish for a clearing agreement with Italy was father to the thought. He had no reason to suppose that his Government were any less opposed than previously to the conclusion of an agreement with Turkey of that nature.

3. Shortly afterwards I had an opportunity of hearing the views of Numan Bey. He said that Turkey had denounced the Italo-Turkish *modus vivendi* because it was not operating to Turkey's advantage. In order to arrive at a new commercial agreement he was himself going to Rome, although it was somewhat unusual for Turkey to conduct her commercial negotiations away from Angora, and he expected to leave about the 22nd December, and be away some three or four weeks. He expected to encounter difficulties over goods exported from Turkey to Trieste. Turkey had found that many of her exports went via Trieste to Switzerland, Czechoslovakia, &c. Italy claimed that such goods were to be considered as imports into Italy in striking a balance of trade between Italy and Turkey. At the same time, Switzerland, Czechoslovakia and other Central European countries proved that the same goods were destined for them, and wished the same goods to be taken into account in statistics of trade between Turkey and them.

4. Numan Bey said that if he could reach no agreement with Italy about Turkish goods sent to Trieste for subsequent distribution to other countries, he would endeavour to make it a condition of trade with those other countries that they should use Marseilles or Hamburg, or import direct.

5. I am sending a copy of this despatch to His Majesty's Ambassador at Rome and to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

E 8000/83/44

No. 58.

Mr. Morgan to Sir John Simon.—(*Received December* 29.)

(No. 510.)

Sir, *Angora, December* 13, 1933.

WITH reference to my despatch No. 506 of the 9th instant, regarding the desire of the Turkish Government for a new commercial agreement with His Majesty's Government, I have the honour to transmit herewith a copy of a memorandum, prepared by the Ottoman Bank in Constantinople, on the subject of the balance of payments between Great Britain and Turkey since 1924.

2. The memorandum shows that the balance of trade between the two countries remains favourable to the United Kingdom, although the margin, even when the factor of invisible services is taken into account, has decreased considerably during the period under review.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 58.

Note sur le Commerce de la Grande-Bretagne avec la Turquie.

LE Commerce de la Grande-Bretagne avec la Turquie a notablement diminué depuis 1924, année durant laquelle ce dernier pays a recouvré son indépendance et sa stabilité politique.

Alors qu'en 1924 les importations anglaises en Turquie représentaient 17·6 pour cent des importations totales turques et les exportations turques en Angleterre 14·7 pour cent des exportations totales turques, ce pourcentage est tombé en 1930 à 11·1 pour cent pour les premières at 9 pour cent pour les secondes.

Pour les années 1931 et 1932 et les 10 premiers mois de 1933, ces pourcentages ont été de :

1931—	
Importations anglaises en Turquie	11·4
Exportations turques en Angleterre	8·6
1932—	
Importations anglaises en Turquie	12·4
Exportations turques en Angleterre	9·8
1933 (dix mois)—	
Importations anglaises en Turquie	13
Exportations turques en Angleterre	8·7

Ces chiffres appellent les observations suivantes :

(*a*) Le recul des importations britanniques en Turquie a subi un arrêt en 1931, année pendant laquelle ces importations ont même accusé une légère augmentation par rapport à 1930; en effet, leur proportion par rapport aux importations totales en Turquie, a passé de 11·1 (1930) *à 11·4* (1931). Cette augmentation s'est poursuivie en 1932 et 1933 (dix mois), le pourcentage de 1932 ayant atteint 12·4 pour cent et celui de 1933, 13 pour cent.

(*b*) La diminution des exportations turques en Angleterre s'est arrêtée en 1932, le pourcentage qui était de 9 pour cent en 1930 et de 8·6 pour cent en 1931 s'étant relevé en 1932 à 9·8 pour cent, mais a continué en 1933 (10 mois) 8·7 pour cent.

(*c*) La balance commerciale entre les deux pays, qui accusait, les années précédentes, un excédent notable en faveur de la Grande-Bretagne et qui, toutefois, *s'était presque équilibrée en 1932*, est, à nouveau, en excédent en 1933 :

	Import. Millions.	Export. Millions.
1924	34·2	23·2
1925	37·8	17·4
1926	33	21·3
1927	28·2	16·8
1928	27·4	19
1929	31·2	14·7
1930	16·4	13·5
1931	14·4	10·8
1932	10·6	10
1933 (dix mois)	8	6·1

(*d*) La diminution des importations anglaises en Turquie a été plus sensible que celle des exportations turques en Angleterre.

En examinant les motifs qui l'ont provoquée, on doit reconnaitre que la diminution du commerce anglais en Turquie devait forcément se produire.

On pourrait résumer ces motifs comme suit :

(*a*) Apparition sur le marché turc de l'Allemagne, de la Russie et de la Tchécoslovaquie et concurrence faite avantageusement par ces pays et certains autres;

(*b*) Abstention de l'Angleterre dans les entreprises turques;

(*c*) Diminution notable de l'importation en Turquie de marchandises intéressant le commerce britannique;

(*d*) Disparition, de la Turquie, d'un grand nombre de maisons de commerce qui trafiquaient exclusivement avec l'Angleterre.

(a) *Apparition, sur le marché turc, de l'Allemagne, de la Russie et de la Tchécoslovaquie et concurrence faite avantageusement par ces pays et certains autres.*

La Grande-Bretagne a subi la concurrence de l'Allemagne (métaux, machines, cotonnades, lainages), de la Russie (caoutchouc et cotonnades) et de la Tchécoslovaquie (cotonnades et lainages), pays qui ont fait leur apparition sur le marché turc, en 1925, et supplanté le commerce britannique, en butte, d'autre part, à la concurrence de la Belgique (métaux), de l'Italie (cotonnades) et du Japon (cotonnades).

La Turquie, très appauvrie depuis la guerre, ne pouvait que donner la préférence aux marchandises de ces pays qui offraient à la fois des prix avantageux et des facilités de paiements, alors que la Grande-Bretagne maintenait ses conditions d'avant-guerre, sans chercher à les adapter à une situation nouvelle.

Toutefois, les défaillances survenues en 1930, le resserrement consécutif des crédits commerciaux consentis par les pays concurrents, et enfin la dévalorisation de la livre sterling en 1931, ont permis au commerce britannique en Turquie de maintenir sa position en 1931 et même de l'améliorer en 1932.

(b) *Abstention de l'Angleterre dans les Entreprises turques.*

On a vu l'Allemagne s'intéresser dans les constructions des chemins de fer en Turquie (le groupe Julius Berger a construit les lignes Kutahya–Balikesir et Ulukichla–Césarée) et créer un groupe industriel qui a consenti d'importants crédits à la Turquie pour des fournitures de chemins de fer.

La Grande-Bretagne n'a manifesté aucune activité dans ce domaine.

(c) *Diminution notable de l'Importation en Turquie de Marchandises intéressant le Commerce britannique.*

Les principales importations britanniques en Turquie sont représentées par les cotonnades (40 à 60 pour cent) et les lainages (13 à 14 pour cent).

Or, l'importation de ces marchandises en Turquie a, par suite de la crise, notablement diminué, ce qui a, bien entendu, entraîné la diminution des importations anglaises en Turquie.

(d) *Disparition de la Turquie d'un grand nombre de Maisons de Commerce qui trafiquaient exclusivement avec l'Angleterre.*

Il existait, auparavant, dans le pays un grand nombre de maisons de commerce minoritaires (notamment arméniennes) très sérieuses, telles que : Ipranossian, Topalian, Astardjian, &c., et possédant des succursales à Manchester.

Ces maisons n'importaient que des marchandises anglaises qu'elles écoulaient dans l'intérieur du pays, dont elles avaient su connaître et, dans une certaine mesure, guider les goûts et les besoins.

Balance des Paiements.

Pour pouvoir établir la balance des paiements des deux pays, il faudrait connaître les postes invisibles suivants :

(1) Les intérêts perçus par les personnes établies en Turquie, sur les fonds qu'elles possèdent en Angleterre;
(2) Les sommes dépensées par les voyageurs de part et d'autre;
(3) Les sommes dépensées par les navires anglais naviguant dans les eaux turques;
(4) Les annuités, payées par la Turquie, de la dette extérieure;
(5) Les bénéfices des sociétés anglaises opérant en Turquie.

(1) *Intérêts perçus par les Personnes établies en Turquie, sur les Fonds qu'elles possèdent en Angleterre.*

On sait qu'il existe en Turquie un bon nombre de personnes qui touchent des intérêts sur les fonds qu'elles ont déposés auprès des banques anglaises. Leur évaluation est, toutefois, impossible.

(2) *Les Sommes dépensées par les Voyageurs de part et d'autre.*

Elles ne peuvent, non plus, être évaluées, pas même approximativement; elles assurent, cependant, un bénéfice appréciable en faveur de la Turquie.

(3) *Les Sommes dépensées par les Navires anglais naviguant dans les Eaux turques.*

Elles peuvent être évaluées à £ tqs. 500,000 au minimum (bateaux touristes y compris).

(4) *Les Annuités, payées par la Turquie, de la Dette extérieure.*

	£ stg.
(i) Emprunt municipal de 1909	37,000
(ii) Dette extérieure environ	50,000

(5) *Bénéfices des Sociétés anglaises.*

Ils peuvent être évalués à £ stg. 80,000 environ.

Les annuités payées par la Turquie, au titre de la dette extérieure, et les bénéfices des sociétés anglaises envoyés en Angleterre sont évalués à £ stg. 160,000 environ, dont une partie, £ stg. 100,000 environ, est certainement compensée par les intérêts perçus par les personnes établies en Turquie sur les fonds qu'elles possèdent auprès des banques anglaises et les sommes laissées en Turquie par les voyageurs anglais et les navires anglais.

Conclusion.

L'excédent en faveur de la Grande-Bretagne de la balance commerciale entre les deux pays doit donc être augmenté d'environ £ stg. 60,000 du fait des comptes invisibles.

Istanbul, le 2 décembre 1933.

[E 8002/8002/44] No. 59.

Mr. Morgan to Sir John Simon.—(*Received December* 29.)

(No. 515.)

Sir, *Angora, December* 16, 1933.

WITH reference to your despatch No. 290 of the 14th July, 1932, regarding the Mixed Commission for the Exchange of Greek and Turkish Populations, I have the honour to report that an agreement was signed at Angora on the 9th instant by the Minister for Foreign Affairs and the Greek Minister for the suppression of the above commission, the suppression to take effect eight months after the exchange of ratifications.

2. I am sending a copy of this despatch to His Majesty's Minister in Athens.

I have, &c.
JAMES MORGAN.

[E 8003/325/44] No. 60.

Mr. Morgan to Sir John Simon. –(*Received December* 29.)

(No. 516.)

Sir, *Angora, December* 16, 1933.

WITH reference to my despatch No. 456 of the 18th November, 1933, regarding the proposals put forward by Messrs. Curtiss-Wright for the development of civil air lines in Turkey, I have the honour to transmit herewith a copy of a memorandum which has been transmitted to the War Office by the military attaché to His Majesty's Embassy, containing further particulars on this subject.

2. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's Ambassador in Washington.

I have, &c.
JAMES MORGAN.

Enclosure in No. 60.

Memorandum.

IN continuation of my memorandum dated the 24th November, 1933, Major Hulse, the American adviser to the Turkish Government for civil aviation, informs me that his firm, Messrs. Curtiss-Wright, have every reason to hope that with the emancipation of civil aviation from the control of the Ministry of Defence, a great advance will now be made in air transport in Turkey.

2. The two Kingbird machines have now been put out of action for overhaul. They will recommence work on the 1st March, together with the large transport machine presented by the Russian Government on the occasion of the anniversary of the republic. These three machines will assure the service between Istanbul and Kayseri.

3. On the 1st May, it is intended to extend this service to Diarbekir.

4. On the 1st June, it is intended to start a service Istanbul–Brusa–Smyrna–Athens, and a lateral service Sivas–Kayseri–Aleppo.

5. On the 1st July, it is intended to extend the main service to Bagdad.

6. Condor machines will be employed on these lines. These machines can be adapted to act as bombers in case of war.

7. Mecit Bey, the late Under-Secretary for Aviation, will be in charge of civil aviation.

8. Mirliva Salim Cevat Pasha, who was promoted this year, is now Under-Secretary for Aviation at the Ministry of Defence.

B. J. O'LEARY,
Major, G.S.

December 14, 1933.

E 8006/262/44 No. 61.

Mr. Morgan to Sir John Simon.—(*Received December* 29.)

(No. 520.)

Sir, *Angora, December* 20, 1933.

I HAVE the honour to report that the Minister for Foreign Affairs, in a recent conversation with me, stated that he expected to go some time this winter to Bucharest and to Warsaw.

2. Tevfik Rüştü Bey also informed me that Baron von Neurath would pay a visit to Angora in the spring, as foreshadowed in my despatch No. 439 of the 11th November last, and that a French delegation, headed by M. Paul-Boncour, would probably arrive later. The French visit had, however, not yet been definitely arranged. His Excellency added that the suggestion had come from the French side.

3. I am sending copies of this despatch to His Majesty's representatives in Bucharest, Warsaw, Berlin and Paris.

I have, &c.
JAMES MORGAN.

E 8008/83/44 No. 62.

Mr. Morgan to Sir John Simon.—(*Received December* 29.)

(No. 522.)

Sir, *Angora, December* 20, 1933.

WITH reference to my despatch No. 506 of the 9th December regarding Anglo-Turkish trade, I have the honour to report that the Turkish Minister for Foreign Affairs has again expressed to me his concern about the situation of the commercial exchanges between Turkey and Great Britain. He stated that since the Ottawa Conference British imports from Turkey had tended to decline and, as the present year progressed, the trade balance grew more and more unfavourable to Turkey. Celal Bey, Minister of Economy, is, as is natural, even more concerned than the Minister for Foreign Affairs, and is in favour of

immediate measures in order to equalise Anglo-Turkish imports and exports. He is, however, restrained by his colleague, who hopes that some arrangement can be made between the two Governments in order to improve the situation from the Turkish point of view.

2. I am aware that such an arrangement might result in a reduction of British exports to Turkey—unless it provided for an increase in British imports from Turkey, in which case exports might suffer no diminution. But if no arrangement is made, it is optimistic to hope that British exports to Turkey will not decline, and that British trade with Turkey will continue to show the usual annual balance in favour of His Majesty's Government. It is undoubtedly the intention of the Turkish Government to force foreign countries to enter into clearing agreements, or agreements that will result in checking the draining away of Turkey's holding of foreign exchange. Moreover, it seems to me reasonable to forecast that the effect of the clearing agreements made between Turkey and certain foreign countries; the abolition of the compensation system, and the discriminatory application of list "M" (which is issued or revised periodically and fixes import quota allocations, country by country, for all foreign countries) will, in time, convert what is now a favourable trade balance for His Majesty's Government into an unfavourable one.

3. Unless some arrangement of a nature to meet Turkish objections is made, I feel that the Turkish Government will denounce, as soon as it can, the present Anglo-Turkish Commercial Treaty, which expires on the 3rd September, 1935. Turkey would have little or nothing to lose by the absence of this treaty, as her exports to the United Kingdom are already subjected to the maximum tariff rates, and her principal products are severely handicapped by the Ottawa duties.

4. As I reported in my despatch No. 506 of the 9th December, I informed the Secretary-General of the Ministry for Foreign Affairs that His Majesty's Government did not favour the adoption of a clearing-house system and, unless otherwise instructed, will continue to take this line in conversation with Turkish officials. I have not attempted to put before them the scheme of the commercial secretary to this Embassy, which is described in paragraph 5 of my despatch No. 435 of the 10th November. In this connexion I have been informed by Colonel Woods that this scheme was proposed to the Turkish authorities by the Netherlands Legation some four or five months ago, but was categorically rejected.

5. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

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(14500)

FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXVII

JANUARY TO JUNE 1934

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Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

Part XXVII.

[N 224/224/63] No. 1.

Mr. Morgan to Sir John Simon.—(*Received January* 11, 1934.)

(No. 537.)

Sir, *Angora, December* 28, 1933.

WITH reference to Mr. Strang's despatch No. 535 of the 28th September last, regarding the three conventions for the definition of aggression signed by the U.S.S.R. and various foreign countries in London in the first week of July 1933, I have the honour to report that the Grand National Assembly ratified, on the 23rd instant, the convention signed on the 4th July between Soviet Russia, Turkey, Czechoslovakia, Roumania and Yugoslavia, and also the convention signed on the 3rd July between Soviet Russia, Turkey, Afghanistan, Estonia, Persia, Latvia, Poland and Roumania.

2. Speaking in support of the Bill of Ratification, the Turkish Minister for Foreign Affairs explained that only States which were neighbours of Soviet Russia could adhere to the convention of the 3rd July, while adhesion to that of the 4th July was open to all States. Greece had not yet adhered to the latter convention out of "respect for certain regional peculiarities."

3. In a telegram which he sent to M. Litvinov announcing the Assembly's ratification of these two instruments, the Minister for Foreign Affairs paid tribute to M. Litvinov's initiative and referred to the agreements as the logical outcome of the untiring efforts which the two countries, Turkey and Russia, had displayed in collaboration with other countries for the consolidation of peace. M. Litvinov, in his reply, stated that the ratification crowned the initiative which the Turkish Government and the Minister himself had always shown and the help which he had given in the consolidation of general peace, adding that the happy consummation of this work of peace would give a fresh impulse to their common efforts in this direction.

4. The Turkish Government's ratification of the convention signed on the 3rd July was also notified to the Polish Minister for Foreign Affairs by telegram, and M. Beck replied in suitable terms, expressing gratification at the common efforts of the two countries for the maintenance of peace.

5. I am sending a copy of this despatch to His Majesty's representatives at Moscow, Warsaw and Athens.

I have, &c.
JAMES MORGAN.

[E 257/161/44] No. 2.

Mr. Morgan to Sir John Simon.—(*Received January* 11, 1934.)

(No. 540.)

Sir, *Angora, December* 30, 1933.

I HAVE the honour to transmit to you herewith a summary of an article contributed by the Prime Minister to the current number of the *Ülkü*, a Turkish review. The *Ülkü* is the organ of the "Halk Evi," or "People's House," which has replaced the old "Turkish Ojak" organisation.

2. Ismet Pasha's article seems to be his profession of faith, and the passage dealing with foreign reluctance to lend Turkey money appears to have been forced from a sincerely convinced mind. It will be seen that his Excellency places his hopes for the financial recovery of the country in the system of internal loans.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 2.

Summary of Article by Ismet Pasha in the Ülkü.

THE work of reconstruction and consolidation of the country has to go on without a halt. On this depend Turkey's welfare, security and credit. Order based on financial order, viz., a balanced budget, is the first essential in modern State administration. A balanced budget has been the unswerving policy of our party for years throughout the whole range of administration.

In balancing the budget all the country's needs, such as education, agriculture, industry and national defence, must be provided for; there is therefore a limit beyond which a balanced budget cannot safely be reduced. Our budget has frankly been reduced beyond this limit, and we must therefore take steps to increase it. The future of the Turkish nation depends on its financial strength.

An increased and balanced budget can only be assured by increasing the nation's gains, and this entails, in the first place, greater expenditure. Let no one think that in our efforts to reconstruct the country and attain to tranquillity and strength we can count on abundant money from abroad. Facts must be faced. We won our war for independence on our own money, and we have built up the republic during ten years with our own resources. Those who talk of collecting money abroad for Turkey's welfare must think that Turkey can be hoodwinked. The financiers would exploit Turkey for their own profit. It is difficult to reconcile conditions which would be acceptable to us with those which would suit the directors of foreign establishments and with unstable international economic conditions. The future of the country depends on our own efforts and our own money; this is the national ideal which alone can solve our problems.

The system of internal loans is the surest means to national recovery. This policy is dependent on the patriot's faith in the State, his pride in the value of the national currency, his recognition of the reconstruction and development of the country as an obligation, and his firm conviction that his own interests and those of his family lie in all these channels. Ten out of £T. 50 million are now being raised for the Ergani Railway by internal loan.

Internal loans can make the new country. The policy of internal loans based on the understanding and adhesion of the people, is the sole means by which the narrow and vicious financial circle in which we move can be straightened out into a line of extensive and positive achievement.

[E 259/259/44] No. 3.

Mr. Morgan to Sir John Simon.—(*Received January* 11.)

(No. 2. Confidential.)

Sir, *Angora, January* 1, 1934.

I HAVE the honour to transmit to you herewith a complete report on the leading Turkish personalities, in accordance with the instructions contained in your circular despatch of the 31st March, 1933.

2. The present report contains six biographies in addition to those enclosed in Sir George Clerk's despatch No. 21, Confidential, of the 14th January, 1932, namely, those of Ali Fuat Pasha and Celal, Fuat, Memduh Sevket, (Osman) Nuri and (Mehmet Ali) Sevki Beys, of whom the first named returned to public life and the others came into prominence during the past two years. One of the biographies transmitted in 1932 is now omitted, namely, that of Huseyin Cevat Bey, who has since died.

I have, &c.
JAMES MORGAN.

Enclosure in No. 3.

Notes on Leading Turkish Personalities.

1. *Abdulhalik Bey, Mustafa.*

BORN at Yanina about 1870. Belongs to a family of Albanian Tosks. Educated at Yanina and at Mülkiye College, Constantinople. In 1908 appointed member of the Council of State. Uncle by marriage of the late Talat Pasha. In 1910–11, Vali of Skoplje (Üsküp). 1914–15, Vali of Van. For a short period in 1915 was Under-Secretary for the Interior. 1915–16, Vali of Bitlis, and 1916–17 of Aleppo. Again became Under-Secretary of the Interior, holding post until the armistice. Arrested in May 1920 and deported to Malta on charge of atrocities committed at Aleppo during the war. Learnt to play tennis and bridge at Malta. In 1923 was Vali of Smyrna, when he got on well with Europeans. In July elected Deputy for Çankiri. In January 1924 succeeded Hasan Fehmi Bey as Minister of Finance, and held post till March 1925. Resigned on fall of Fethi Bey and became director-general of the Agricultural Bank and chairman of the Parliamentary Committee of Finance. In July 1926 became Minister of Finance. He soon showed himself aware of the weakness of Turkey's financial position abroad, and visited Europe in the summer of 1927, when he was identified with an arrangement for the settlement of the "coupons" question. In September he was re-elected Deputy for Çankiri, and in November, on the reconstruction of Ismet Pasha's Cabinet, became Minister of National Defence and Acting Minister of Marine. The latter post was subsequently merged in the former, which he retained in Ismet Pasha's Cabinet as reconstructed in September 1930. Succeeded Saracoğlu Şükrü Bey as Minister of Finance in December 1930, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931.

Abdulhalik Bey knows Greek and speaks fair French. He owed his early advancement to his relationship with Talat Pasha, though he was never a prominent Unionist figure. Though not possessed of brilliance, he has considerable administrative capacity, and enjoys a reputation for scrupulous honesty and virtue as acceptable at the Ministry of Finance as in that of Defence, where peculation in connexion with munitions contracts had previously been rampant. Is essentially a moderate, and the only member of the Cabinet to observe the Ramazan fast. Is a keen gardener, a good bridge player and agreeable in conversation. Much liked by representatives of foreign business firms seeking contracts. Has been in poor health for some time, and there have been rumours of the Gazi wishing him to resign on that account.

2. *Ahmet Bey, Aǧaoǧlu.*

Born about 1864 in Russian Azerbaijan. Son of an Islamised Caucasian Jew. Educated at Moscow, and started life as a journalist. Became an *agent provocateur* to the Russian Secret Service, and organised Armenian massacres at Baku in 1904. In 1903–5 published two newspapers in Baku, but then fell into disgrace; went to Turkey and became a Turkish subject in 1908. Threw in his lot with the Committee of Union and Progress. Later, published a pro-Russian paper in Turkish, and became editor of the *Tercumani Hakikat*. In 1916 became Minister of Education, and at this time was noted for his anti-British articles. Took a part in organising the Armenian massacres. In 1918 received £T. 100,000 from the Committee of Union and Progress funds. 1919–21 interned at Malta, where he learnt some English. In June 1921 he became director of the Press Bureau at Angora, and from then onwards was a close friend of Mustafa Kemal. Was, in the past, the chief worker for closer Russo-Turkish relations, often by means of editorial articles in the officially-inspired *Hakimiyeti Milliye* of which he was one of the editors.

In the 1923–27 Assembly he was a member of the Executive Bureau of the People's party and of the Foreign Affairs Commission, as well as reporter of the Constitutional Commission. Was re-elected Deputy for Kars in September 1927 and in November became a member of the party's Executive Bureau and of the Constitutional Commission. Resigned from the People's party in August 1930 to join the new Liberal Republican party founded by Fethi Bey. Was not re-elected at the general election of April 1931, and in October was appointed professor (history of law) in the University of Constantinople, whither he removed with his family from Angora.

Ahmet Bey is a short man with heavy eyebrows and dark glasses. He recalls the storied one-eyed mule of hideous aspect, but that aspect is benignant, and in his riper years tends to belie the lurid record of his youth. He was the "character" of the Grand National Assembly, and loves nothing so well as a joke, even at his own expense. He was seen occasionally in Angora society accompanied by his blue-stocking, English-speaking daughters, who are no more attractive in appearance than their father. Speaks Russian, French, Persian and Turkish. Since the summer of 1926 his articles had become less hostile to Great Britain, and, in conversation, he delights to expatiate on the charm of English life, particularly as led at Oxford.

3. *Ali Bey.*

Born about 1875 at Afyon Karahisar. Educated at the Constantinople Military School. Commanded a battalion at Çatalca during the Balkan war, and served in the Great War as a colonel. Organised resistance to the Greeks at Ayvalik in 1919. Was elected a Deputy for Constantinople in December, and remained there to attend the debates till March 1920, when he was deported to Malta. Released a year later, he at once took his seat in the Angora Assembly. After his re-election in 1923 he became one of the chief organisers of the People's party, and in November 1924 was elected vice-president of the executive bureau of the party, a position which he still fills. In March 1925 he was appointed president of the Angora Independence Tribunal; soon afterwards shot with impunity a fellow Deputy in the Chamber, and unconcernedly passed death sentences till the Independence Tribunals were abolished early in 1927. 1925–27 was president of the Defence Commission of the Assembly, and in November 1927, on his re-election as Deputy for Afyon Karahisar, became a member of the Budget Commission. Is President of the Grand National Assembly "group" of the People's party.

Ali Bey, known as the "bald-headed," is a curious phenomenon, for, in spite of his record, he is attractive. Until recently only spoke Turkish, but for some years has been studying English, which he speaks haltingly, but reads with a certain facility. He has an engaging smile, and was once very aptly described by a British visitor to Angora as resembling "a benevolent Scotch elder." During the summer of 1927 rumour was busy with his name as a possible successor to Ismet Pasha. It is doubtful if he could have filled the bill, though his surprising honesty could not have failed to be an asset. He is not a conversationalist.

4. *Ali Cenani Bey.*

Born about 1880 at Ayintap (Gazi Antep), which he represented in the Constantinople Parliament, being for a time reporter for the budget. Was deported to Malta in 1919 on a charge of complicity in the massacres of Armenians at Ayintap. On being released he joined the Kemalist movement, and has been Deputy for Ayintap since 1921. In November 1924 became Minister of Commerce. In 1925 his commercial legislation showed that he was leading the ultra-Nationalist movement against Christian employees and foreign capital. In May 1926 he resigned owing to reported differences with the Minister of Finance. He nevertheless continued to the influential, and for two years was the chief Turkish delegate for commercial negotiations with foreign countries, being responsible in particular for the Turco-Russian Commercial Treaty of March 1927. Became reporter of the Budget Commission in November 1927, but fell from grace early in 1928, when he was tried by the High Court for a misuse of public funds while Minister of Commerce. Was heavily fined, but his sentence of imprisonment was commuted. After reappearing in influential circles, left Turkey for Damascus in mysterious circumstances in December 1929. Though reported to owe £T. 100,000 to the Turkish Government, he once more reappeared at Angora, where his past seemed in a fair way to being forgotten, but he was not re-elected at the general election of April 1931.

Ali Cenani Bey was for long the leading business man in the Ayintap area, and in business circles was considered honest and go-ahead. Much of his property is now in Syria, and he has frittered away most of his considerable wealth. He is a poor speaker, of jaundiced appearance, and has been described as active, resourceful and wily. He plays a vigorous, but not very good, game of bridge. His two daughters have received an American college education, and his son, who is in the diplomatic service, was educated at the English High School in Constantinople.

5. *Ali Fuat Pasha.*

Born in Constantinople in 1882. Grandson of the renegade German who was Turkish delegate at Berlin Congress. Graduated from the military school in 1905. 1908–11, military attaché at Rome. During the war fought on the Caucasus and Palestine fronts. Was one of the first Turkish generals to join the Kemalist movement, and was one of Mustafa Kemal's most trusted leaders until his tendency to take an independent line in the field led, late in 1920, to his appointment as Kemalist Ambassador at Moscow, where he was chiefly instrumental in securing the signature of the Turco-Russian Treaty of March 1921. Was recalled in April 1922 owing to an incident in the Embassy in Moscow, and resumed his military command. In 1923 was elected Deputy for Angora and Vice-President of the Assembly. Later became inspector-general at Konya, but resigned his post in October 1924, by which time he had become completely associated with the Rauf-Adnan-Refet Opposition group. In November he resigned from the People's party and became secretary-general of the new Progressive party. In 1926 was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted. His reception by the President in November 1926, and again early in 1927, gave rise to a rumour that Ali Fuat was returning to the Kemalist fold, but this was not confirmed, and he ceased to be a Deputy in September 1927. Lived in retirement until June 1933, when he stood as independent candidate for Konya, with the Gazi's full approval, and was unanimously elected Deputy, Ismet Pasha having issued a manifesto to the electors praising Ali Fuat for services rendered to the national cause, and declared he had "followed the same path as the Gazi." Since re-election has taken little or no part in parliamentary life.

Ali Fuat Pasha has a reputation for honesty. During the war was not on good terms with the German commanders, and during the armistice period was believed to be violently anti-British, but he was on good terms with the British mission in Moscow.

6. *Ali Sait Pasha.*

Born near Bandirma (Panderma) in 1874, of Circassian origin. Graduated from the Military College in 1898, and held several minor staff appointments till

1907, when, with the rank of major, he was sent to the Yemen. Returned to Constantinople in 1909, and in 1913, during the Balkan war, was in charge of the lines of communication. Was then for a time control officer on the Anatolian Railway until January 1914, when he was promoted colonel and posted to Sanaa in the Yemen, where he remained until some time after the 1918 armistice, when he was finally induced to surrender to the British authorities at Aden, whom he had fought for four years, during most of which he was out of touch with his Government. Interned in Egypt for a short time, Ali Sait Pasha, who had now been promoted general, returned to Constantinople early in 1919 and was Military Governor of the capital till March 1920, when, on the occupation of the town, he was deported to Malta. Immediately after his release in October 1921 he joined Mustafa Kemal, and in the following year he succeeded Kâzim Karabekir Pasha as General Officer Commanding the Eastern Army. In October 1924 he was appointed Inspector-General of the First Army Area, and still holds this post. Was promoted to be a general of the first class in August 1927.

Ali Sait Pasha is pleasant, courteous and has a well-modulated voice. Was probably at one time decidedly pro-British, and still is, as he says, "in the interests of his country," but he chooses to forget rather than to forgive his treatment at British hands. Not a strong personality and takes no part in politics, but is interested in Iraq oil to such an extent that on an Angora ball-room floor he produced to a member of the Embassy a largish map, on which the position of his wells was clearly shown. Speaks a little English, a consequence of Malta, where he also learnt to play tennis. Both he and his massive wife used to be very popular in Angora society, but, when the attendance of military officers at social functions was vetoed in March 1928, they transferred their domicile to Constantinople.

7. *Asim Pasha.*

Born about 1882 in Constantinople. Passed out of Military College in 1902 with rank of staff captain, and was attached to the Imperial Guard. From 1907 to 1909 served on staff of Monastir division. In 1909 appointed to General Staff. Pursued a course of military studies in Germany from 1912 till January 1915, when on his return he was attached to Turkish General Headquarters, remaining there till end of war. Again in Germany 1918–19. In November 1920 became chief of the Intelligence Section of the General Staff, but soon after threw in his lot with the Nationalists and became Chief of Staff to Fevzi Pasha. In November 1924 became General Officer Commanding the IXth Army Corps, in August 1926 was promoted Divisional General and later commanded the 7th Corps. In October 1928 was appointed sub-chief of the Turkish General Staff.

Asim Pasha is a tall, dark man of slight build and has a very pleasant manner. He has the reputation of being hard-working, strict, accurate and given to great financial economy. He got on well with his German superiors during the war, speaks German well, and knows some French.

8. *Behiç Bey.*

Born about 1880. An ex-colonel. In 1924 was chief administrator of the Anatolian Railway, a post in which he showed considerable ability and energy. In December 1925 became a Deputy for Constantinople and a month later Minister of Public Works. As a Minister he was a pronounced success, and showed great capacity in organising the existing railways and in dealing with the somewhat grandiose construction schemes of the Government. Resigned October 1928, nominally on grounds of ill-health, and was immediately afterwards appointed Minister at Budapest.

9. *Cafer Tayar Pasha.*

Born in 1883 at Prishtina, of poor parents. Educated by the charity of an Albanian, who sent him to the military school. Saw service in Macedonia, and in 1907 became a member of the Committee of Union and Progress. Served at the Dardanelles, and in 1918 had command of the forces in Northern Caucasus. Early in the armistice he showed himself violently anti-British, and formed a military organisation at Adrianople, with which, in 1920, he threatened to resist the occupation of the town by the Greek army. From then onwards was known as the hero of Adrianople, for which, since 1920, he had been the senior Deputy.

In 1924 he commanded the troops in the Eastern vilayets, but his enthusiasm for Mustafa Kemal began to cool, and in October he resigned his military duties to take up those of a Deputy. In July 1926, along with Ali Fuat, Refet and Kâzim Karabekir Pashas, was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted, largely, it is understood, owing to the fear of the authorities of his influence with the army. Ceased to be a Deputy in September 1927, and since then has been little heard of. Was sharply attacked in the Gazi's lengthy review of the revolution in 1927.

Cafer Tayar Pasha is a strong patriot, just and honest, and, as a result of his Adrianople experiences, is violently Graecophobe.

10. *Celal Bey, Mahmut.*

Born about 1880. Before the War of Independence was cashier in the Brusa branch of the Deutsche Orient Bank. Joined Mustafa Kemal at an early stage, and served with distinction in the Nationalist Army. In 1923 was elected Deputy for Smyrna, which he has represented ever since, and was appointed Minister of National Economy the same year. In March 1924 became Minister of Reconstruction (for the settlement of refugees) in Ismet Pasha's second Cabinet, but resigned in July to become Director-General of the Is Bankasi on the recommendation of the Gazi. In August 1928 went on a tour of the Turkish Black Sea ports to study the possibilities of that region and investigate the causes of its poverty. In November 1928 was elected member of the Foreign Affairs Committee of the Grand National Assembly, and again in November 1930. In December 1931 was elected vice-president of the Supreme Economic Council, and in January 1932 accompanied the Minister for Foreign Affairs to Tehran, to study Persian economic conditions with a view to the establishment of a branch of the Is Bankasi. In September 1932, at the height of the financial and economic crisis, finding his bank's operations hampered by the Government's exaggerated policy of State control of trade and industry, Celal Bey went direct to the Gazi, with the result that he was appointed Minister of National Economy (a post of much greater importance than in 1923), in succession to Mustafa Seref Bey, to the great relief of the local business world, but the expectations then raised were not fulfilled, least of all where British trade was concerned. Went to Athens with Numan Bey in May 1933, to negotiate commercial agreement (signed the 9th May) and establish cordial relations with Tsaldaris Government. In June accompanied Tevfik Rüştü Bey to London as "second head" of the Turkish delegation to the Economic Conference. On this occasion visited also Paris and Berlin and negotiated "clearing" agreements with French and German Governments.

Celal Bey, who is married, is of a serious and retiring disposition, and is a hard worker, with, apparently, few if any interests outside his work, which is, at the present time, more absorbing than that of any of his colleagues.

11. *Celal Nuri Bey.*

Born about 1880. A journalist; manager of a Young Turk newspaper in Constantinople in 1906. Expelled shortly after, and only returned after the Constitution, when he began to publish his paper, *Ileri*, which continued to appear till 1925. Was subventioned by the Germans during the war. In the early armistice ran his paper as a Kemalist organ until he was deported to Malta in March 1920. Shortly before, he had been elected Deputy for Gallipoli. Was released in March 1921 and at once took his seat in the Angora Assembly. Has since been a member of the Constitutional Commission of the Assembly, in 1922 being president, reporter in 1923 and secretary in 1930. During the constitutional crisis in March 1924 he was a warm supporter of the proposal to accord dissolution and veto powers to the President of the Republic, but the proposal was defeated. In September 1927 was elected Deputy for Tekirdag (Rodosto) and in November, while still retaining membership of the Constitutional Commission, became reporter of the Drafts Commission of the Assembly. Re-elected Deputy for Tekirdag in April 1931. Founded the *Yilmaz* newspaper, but disclaimed responsibility for it when it began attacking the Government in June 1931 and was subsequently closed down.

Celal Nuri Bey is something of an intellectual, clever and an intriguer. He is supposed to have Communist leanings, but was for some time chiefly active in an anti-Greek campaign nominally on behalf of Turkish non-exchangeables.

12. *Cemal Hüsnü Bey.*

Born about 1887. An ex-officer. Was Deputy for Gümüşane 1925–30. 1927–28 was reporter of Assembly Commerce Commission, and became a member of the Foreign Affairs Commission. In March 1928 became chief Turkish delegate for the exchange of populations, and in November of the Foreign Affairs Commission of the Assembly. Appointed Minister of Education in April 1929, and Minister at Berne in September 1930, when he resigned his deputyship. Was member of Turkish delegation to Disarmament Conference in January 1932, and subsequently, and is now head of permanent Turkish delegation at Geneva, where he spends most of his time, while retaining post as Minister at Berne.

Cemal Hüsnü Bey is pleasant to talk to, speaks fair French and plays a fair game of bridge. He is, however, very impetuous, and on several occasions nearly torpedoed the Græco-Turkish negotiations. Is unmarried.

13. *Cemil Bey.*

Born about 1885. Has followed a military career. About 1906 was commandant of the garrison at Salonica, and at that time saved Mustafa Kemal from arrest by Abdulhamit's secret police. During the armistice, when he held the rank of staff lieutenant-colonel, was in command of the defence forces against the Greeks at Catalca. In July 1923 elected Deputy for Tekirdag (Rodosto). In May 1924 appointed general secretary of the People's party, and in January 1925 became Minister of the Interior. Though for a time he did well and exercised considerable influence, his position became weakened early in 1927 owing to alleged irregularities in connexion with Government contracts, and, though re-elected Deputy in September, he ceased to hold ministerial rank on the reconstruction of Ismet Pasha's Cabinet in November 1927. In the same month he became a member of the Foreign Affairs Commission. Re-elected Deputy for Tekirdag in April 1931. Is one of the two vice-presidents of the People's party and chairman of the Internal Affairs Commission.

Cemil Bey is reserved and intelligent, and speaks only a little French.

14. *Cemil Bey, Professor.*

Born about 1880. Has followed a legal career and specialises in international law, on which he is now the recognised Turkish authority. Was chief adviser to the Turkish delegation before The Hague Tribunal in 1927 in connexion with the "Lotus" incident, in which judgment was given in favour of Turkey. From 1922 to 1924 was one of the chief movers in a Turkish association for supporting the League of Nations, and in October 1924 attended the congress of League of Nations Societies in London. In 1931 was appointed member of the Permanent Conciliation Commission formed in accordance with the arbitration treaty with Germany of 1929. Was also appointed member of The Hague International Permanent Arbitration Court. At the end of 1932 took a leading part in founding the Turkish branch of the League of Nations Union.

Cemil Bey is quiet, reserved and almost entirely absorbed in his studies. His family have received a European education. Is a keen gardener. Somewhat brusque of manner. Speaks French.

15. *Cerat Pasha.*

Born in Constantinople in 1873. Educated at the Galata Saray School and at the military school. In 1893 aide-de-camp to the Sultan. Later, sent to Germany to complete his military studies, and on his return secured rapid promotion owing to his father's influence at the palace. In 1913 appointed General Officer Commanding the Dardanelles Defences, and was in command of the Palestine army at the time of the Turkish collapse in 1918. In November 1918 became Chief of the General Staff, and in December was Minister for War. Obstructed the Allies during the early armistice, and from the first was one of the strongest and cleverest of the Nationalist supporters in Constantinople. From October 1919 till January 1920 was again Chief of the General Staff. In March 1920 was arrested and deported to Malta. Released in October 1921, he at once proceeded to Angora, and in January 1922 was given the command of the Turkish troops near the Iraq frontier. Elected Deputy in July 1923, he took no

part in the proceedings of the Assembly, having in the meantime been appointed Military Inspector-General in the Eastern Provinces. In October 1924 was in supreme command of the Turkish forces on the Iraq frontier when the *status quo* difficulty arose. Later in the month he resigned from his military duties, in order to take up his deputyship. Resigned from the latter two months later. In January 1925 was attached to the Iraq Frontier Commission in the capacity of assessor, and showed himself petulant and irascible. In September and December was attached to the Turkish Mosul delegation to Geneva. In April 1926 became a member of the Supreme Military Council, and in August was promoted to the rank of general of the first class. In November 1930 went to Geneva as military adviser on Turkish delegation to Preparatory Disarmament Conference, and subsequently attended the Disarmament Conference in the same capacity.

Cevat Pasha knows French and German well. Is very Germanophil and something of an opportunist. Has good manners, is well educated and a capable administrator. He is old-fashioned, drinks little and says his prayers, but is stated to be jealous of Mustafa Kemal, who served under him at the Dardanelles.

16. *Cevat Abbas Bey.*

Born about 1890. Early in 1919 became aide-de-camp to Mustafa Kemal, and at the same time was elected Deputy for Bolu. Had control over the activities of the Nationalist secret agents throughout 1920. In July 1921 went on a mission to Bulgaria with a view to organising trouble in Thrace, and in December became unofficial Kemalist representative at Sofia. He returned to Angora early in 1922, and in the autumn was one of the instigators of the Turkish insurrectionist movement in Western Thrace directed against Greek rule. In 1923 was re-elected Deputy for Bolu, and at the end of the year there was much talk and intrigue in regard to his proposed definite appointment as Turkish Minister at Sofia. In 1924 was president of the Turkish Aeroplane Association, in the interest of which he showed great activity. Was re-elected Deputy in September 1927 and April 1931, and since November 1927 has been a member of the Foreign Affairs Commission of the Assembly. In December 1931 became deputy chairman of board of directors of Turkish company exploiting notorious drug factory, since closed down, at Kuzguncuk on the Bosphorus. Maintains close contact with the President of the Republic.

17. *Edip Servet Bey (Dağdeviренoğlu).*

Born at Constantinople in 1879. Son of Servet Pasha. Left the military college in 1898. Served with the Salonica army and in Thrace till he entered the Staff College in 1909. In 1911 was attached to the Yanina Regiment, and in 1913 promoted major. Held a staff appointment during the Balkan war, and was on the military staff of the Turkish delegation to the 1913 Peace Conference in London. Later in the year was for a few months chief aide-de-camp to the heir-apparent. Served during the Great War at the Dardanelles, in the Caucasus and in Palestine, and in 1917 was director of the Military Press Bureau. In March 1918 was a member of the Turkish mission sent to Roumania to conclude peace. During the armistice was a member of the Armistice Commission and director of Prisoners of War Section, and joined Mustafa Kemal in June 1920. Was afterwards chiefly engaged in arranging the supply of munitions, and in 1922 was for a time member of the Turco-Syrian Frontier Delimitation Commission. In November became Military Commandant of Constantinople and Acting Governor of Pera. In November 1925 became Deputy for Constantinople. In 1926 he represented Turkey at the Islamic Congress at Mecca, and made history by appearing in a bowler hat. In 1927 was a member of the Foreign Affairs Commission, and is now a member of that for Economic Affairs. Elected member for Gümüsane, May 1931. In April 1933 was Turkish delegate to the International Parliamentary Economic Conference at Rome. Is a leading member of the board of the Is Bankasi and Balya Karaydin Company, and is also grand master of the Angora Lodge of Freemasons.

Edip Bey is short, stout and jovial, with a face like the rising sun. On the rare occasions when, in the early hours, it has approached its zenith, he shows a taste for opera and old Turkish songs, and has a good voice. Though not involved so deeply in politics as are his companions, he is in great favour with the Gazi, and influential. Is an intimate friend of Saffet Bey (*q.v.*). While not appearing

bright, he is shrewd and sharp, and probably does more hard thinking than any of the coterie. Speaks French, Italian, Russian and German. Is hospitable, with a naive courtliness of manner and a passion for doing things right and urging his friends to do likewise. Is perhaps the most popular Turk in Angora.

18. *Enis Bey, Mehmet.*

Born about 1887. From 1907 until the Great War was an official of the Ministry of Interior. Became vice-consul at Ancona during the war, and in 1925 was counsellor at Moscow. In 1926 became Director-General of Political Affairs at the Ministry for Foreign Affairs, in October was given the rank of Minister and in November 1927 became Under- Secretary for Foreign Affairs. Appointed Minister at Athens in 1929.

Enis Bey is pleasant and capable. In spite of indifferent health, he for some time carried the entire burden of the Foreign Ministry, and was universally liked by all who came in contact with him. Is straightforward and honest. The organisation of the Foreign Ministry out of complete chaos was due almost entirely to him, and his departure was generally regretted by the foreign diplomats at Angora. His wife is attractive.

19. *Ercüment Ekrem Bey.*

Born about 1888, the son of Recai Ercüment Bey, the Turkish poet. Appointed secretary at the Turkish Legation at Athens. Was recalled by Abdulhamit on suspicion of intriguing with disloyal elements. Later appointed to Bucharest. Was Mayor of Pera during the armistice. In 1923-24 was Director of Press in Angora. In March 1924 became private secretary to President of Republic, but fell foul of the President's wife, and in April became Assistant Prefect of Constantinople. Was dismissed in August, and remained unemployed till September 1927, when he again became Director of Press at Angora until appointed (July 1931) counsellor at Warsaw, to act temporarily as Chargé d'Affaires.

Ercüment Ekrem Bey is a short, stout man of a disagreeable type. He is certainly clever, but not at all to be trusted. Speaks fair English.

20. *Esat Bey.*

Born in Verria (Macedonia) in 1874. Educated in the Harbiye School and graduated in 1894. Gazetted to the Vth Army (Syria). In 1898 entered the Harbiye (Military) School, where he occupied different functions for twelve years. After the proclamation of the Constitution he proceeded to Germany in order to complete his studies. In the last phase of the Balkan war he was commander of the 93rd Regiment, and during the Great War commander of the 26th Division. He was pensioned at his own request when he was colonel and president of the military section (Harbiye Dairesi). Became afterwards chairman of the board of directors of a commercial venture, the Ordu Donanma Pazari (Army and Navy Stores), administrative counsellor of the telephone company, member of the Constantinople Municipal Assembly, and was elected Deputy for Brusa. He knows three foreign languages, and has occupied himself for many years with the study of pedagogy. Appointed Minister of Education in Ismet Pasha's Cabinet, September 1930, and retained the post in Ismet Pasha's new Cabinet, May 1931. Resigned September 1932 to make way for the more active and zealous Reşit Galip Bey (*q.v.*), and was soon after elected a Vice-President of the Grand National Assembly.

21. *Fahrettin Pasha.*

Born at Constantinople in 1881. Educated at the military school, where he was a class-mate of Enver Pasha. 1909 in command of troops against the Kurds, near Dersim. Later became an active Committee of Union and Progress adherent and in 1910 chief aide-de-camp to the War Office. Held various staff appointments before becoming Under-Secretary for War in 1915. In 1916 commanded the Turkish division in Galicia, and in 1918 served on the Palestine front. In 1920 was a colonel in command of the Imperial troops at Konya. Joined the Nationalist cause in the summer of that year. Later in 1920 secured the command of the XIIth Army Corps, which he retained until the final success of the Turks over the Greeks. In 1923 was elected Deputy for Smyrna and became commander

of the Vth Army Corps. In October 1924 resigned his deputyship on opting for military duties. In November 1924, on the resignation of Ali Fuat Pasha, became one of the three military inspectors-general, and in August 1926 was promoted divisional-general of the first-class, thus holding a higher rank than any of the Opposition Pashas. Was attached to the King of Afghanistan during the latter's visit to Angora in May 1928. On the 1st January, 1931, was appointed military commander of the district (Manisa and Balikesir), placed under martial law in consequence of the reactionary incident at Menemen.

Fahrettin Pasha is a tall, well-built man and a good type. He has been described as a rough diamond, but is honest, and, next to Fevzi Pasha, probably carries most weight in Turkish military circles.

22. *Falih Rifki Bey.*

Born in 1894 at Constantinople and educated at Galata Saray College, where he was later a teacher. Was secretary to Cemal Pasha in Syria during the war, after which he took up journalism and for a time wrote articles for the *Ententist Ikdam*. In 1920 joined Mustafa Kemal and wrote for the Nationalist press. Since 1923 has been Deputy for Bolu, and in the 1923-27 Assembly was secretary of the Foreign Affairs Commission. In the summer of 1927 he went to Rio de Janeiro as chief Turkish delegate at the International Parliamentary Congress, and returned deeply impressed by the advantages to be derived from an Anglo-Saxon, as opposed to a Latin, education. Throughout 1928 he continued to be in great favour, and in May was one of the Turkish delegates to the International Press Congress at Cologne. On his return he became president of the Commission for the Reform of the Turkish Alphabet, and, after the Gazi, has probably done more than anyone else to secure the general adoption of the new script. He owns the concession for the *Hakimiyeti-Milliye* and was a former director of the Anatolian Agency. In September 1930 visited Moscow in the company of the Minister for Foreign Affairs, and in April 1931 went to Albania on a mission connected with Balkan Union. In 1933 was member of Turkish delegations to Disarmament Conference in Geneva and Economic Conference in London.

Falih Rifki Bey is at the same time the youngest and the wildest of the President's boon companions. He is frank, has a fair knowledge of French, and is an ardent Westerner. Has tremendous driving power, but is a heavy drinker, and this and other excesses are unfortunately already beginning to tell their tale. An excellent bridge player. He recently divorced his wife, who, though not without intelligence, was undistinguished and lived mostly in Constantinople.

23. *Ferit Bey, Ahmet.*

Born at Brusa in 1875. Passed through Harbiye Military College in 1898 with rank of captain. Later went to Paris and studied at School of Political Science. Only returned to Turkey after 1908. Joined the Committee of Union and Progress and became Deputy for Kütahya. In 1910 joined the *Entente libérale* party, and was exiled by the Committee of Union and Progress in 1913 to Tripoli, where he met his future wife. He made his peace with Talat Pasha in 1915 and became consul-general at Kiev in November 1917. Recalled in December 1918, he resumed attacks on the Committee of Union and Progress. In 1919 was Minister of Public Works and of Finance under Damat Ferit Pasha. He resigned in July owing to his desire to reach an understanding with Mustafa Kemal. Joined the Nationalist cause in April 1920, was immediately elected a Deputy in the Angora Assembly, and soon afterwards became Minister of Finance. In September 1920 attended the Baku Congress and soon afterwards appeared rather pro-Bolshevik. In November 1921 was appointed representative of the Angora Government at Paris, which post he held till February 1923, when he was recalled because of certain offensive remarks made regarding the Allies. In spite of opposition in the Assembly, he became Minister of the Interior in October 1923. Was the subject of many attacks both in the Assembly and the press, but continued to hold the post till May 1924. Appointed Ambassador at London in June 1925. Was summoned to Angora in December 1930, with his colleagues at Paris and Berlin, to consult with the Government and the Gazi on the financial and general situation when it was rumoured that he would be appointed Minister of Finance in place of Saracoglu Sükrü Bey. This, however, did not materialise. Unexpectedly transferred to Warsaw in May 1932.

Ferit Bey speaks good French and Arabic and a little English. A thorough opportunist and rather unscrupulous. Wife is attractive and helped him to make something of a success of the London Embassy.

24. *Fethi Bey, Ali.*

Born at Ohrid, Macedonia, in 1877. Graduated from military school in Constantinople in 1903 and saw service in Macedonia. Became an ardent Committee of Union and Progress adherent and took charge of Abdulhamit on the expulsion of the latter to Salonica. 1910–13, military attaché at Sofia, and 1913–17, Minister there. Was for a short time Minister of the Interior in autumn of 1918, and soon after was deported to Malta for political reasons. Released in April 1921 he proceeded at once to Anatolia and became Minister of the Interior. In July–August 1922 proceeded on a mission to Paris and London. In 1923 elected Deputy for Constantinople, and during two months was President of the Council of Ministers, which post he resigned on emergence of republican issue. In November became first President of the Assembly. In March 1924 was regarded as being identified with the Opposition when the question of the President's powers was under consideration. In May chief Turkish delegate for Mosul discussions in Constantinople. Represented Turkey before the League of Nations in September and later proceeded to Brussels again in connexion with the Mosul question. Became President of the Council for the second time, and in November also held the portfolio of Defence. His period of office was marked by moderation, and he had the support of the Oppositionist Progressive party. In March 1925, on the outbreak of the Kurdish revolt, his Government fell because of his alleged lukewarmness in dealing with the rebels, and in the same month he was appointed Turkish Ambassador in Paris. Resigned his post in August 1930, when he reappeared in Turkey as the founder of a new political party—the Liberal Republican—with the full approval of the Gazi, probably even by his order. To facilitate his entry into the Assembly, was returned unopposed as Deputy for Gümüşane. Was obliged, by failure of presidential support, to dissolve his party in November, but retained the Gazi's friendship, and they were much together during the annual festivities at Angora, October–November 1931 and on subsequent occasions. Did not stand for re-election at the general election of 1931, and has since been living in retirement at Constantinople.

Fethi Bey has Mongol features. He is pleasant to talk to, speaks good French, and is essentially a moderate. He has an attractive English-speaking wife, and his daughter is being educated at the English High School for Girls, Constantinople. There is evidence that even from Paris he exercised no little influence at Angora, and a visit which he paid to the capital in 1928 had much to do with the Turkish acceptance of the Ottoman debt settlement.

25. *Fevzi Pasha, Mustafa, Field-Marshal.*

Born in Constantinople in 1874. Graduated from the military college in 1898. Saw service in Macedonia. From then until 1913 held numerous staff appointments. During the war fought at Gallipoli, in the Caucasus and in Palestine, and was Chief of the General Staff 1918–19. In November 1919 was sent on a mission to Anatolia by the Constantinople Government and established relations with Mustafa Kemal. Held the portfolio of War in Constantinople Government during February and March 1920. He was throughout in close touch with Mustafa Kemal, and on his resignation he went to Anatolia and was at once appointed Minister for National Defence. Played a large part in building up the Kemalist army and in organising transport and the production of ammunition. In 1921 he became, for a time, a back number, but later re-established his position and became Chief of Staff. In 1923 was elected Deputy for Constantinople, and since then has been annually reappointed Chief of Staff. Resigned his deputyship in October 1924 on opting for military duties. In the autumn of 1927 was suffering from diabetes and went to Europe for a cure. Since then his health has much improved.

Fevzi Pasha had the confidence of Enver Pasha during the Great War, and is now understood to have that of Mustafa Kemal. Reputed to be a capable officer, especially in matters relating to administration. Regarded by Halide Hanim as a good soldier, but nothing more. Has considerable influence with the army. Was in his time a pan-Turanian as well as a pan-Islamist, and on the

abolition of the Caliphate was regarded as the only rival of Mustafa Kemal, of whose manner of life he was understood strongly to disapprove. Was regarded as the leader of the war party at Angora during the Mosul crisis. Is somewhat old-fashioned and keeps his womenfolk secluded, but he is now seen more in public than formerly. Speaks a little French and is pleasant to talk to.

26. *Fuat Bey.*

A son of Ethem Efendi, a former defterdar of Adrianople Vilayet. Was a finance official by profession and a keen Unionist in politics. Elected Deputy for Constantinople in 1926 and 1927. In November 1927 elected member of Finance Committee of Assembly, and a year later vice-chairman of Budget Committee. Resigned this position in January 1929 on appointment to presidency of Cour des Comptes. In November 1929 elected chairman of Budget Committee and member of executive bureau of People's party. Did not stand at the general election of 1931, but was returned at a by-election as Deputy for Elaziz in October 1933, and was appointed Minister of Public Works shortly afterwards. He would probably have been appointed Minister of Finance, if Abdulhalik Bey had been obliged to resign on the ground of ill-health.

Nothing is known of Fuat Bey's personal characteristics, and even since his promotion to Cabinet rank he remains unknown to Angora society.

27. *Hakki Şinasi Pasha.*

Born at Constantinople in 1868, the son of a Foreign Ministry official. Studied first at the naval, and afterwards at the medical, school. Followed medical courses at Berlin, Heidelberg and Munich. While a doctor at the Hamidiye Hospital in 1904 was expelled to Anatolia. On his return in 1906 was reinstated with rank of colonel, and later promoted general. Retired in 1918, and from then till 1924 occupied himself with municipal affairs. In November 1924 became a Deputy for Constantinople, and was in 1927–28 chairman of the Public Health Commission of the Assembly. In September 1925 was Turkish Red Crescent delegate at the International Red Cross Conference at Geneva. In March 1928 became chief inspector of the People's party for Constantinople, and in the late summer mediated successfully in a Constantinople tramway strike. Elected a Deputy for Erzerum in April 1931.

28. *Hamdi Bey, Mehmet.*

Born about 1880. During the armistice was head of the Refugee Section of the Ministry of Interior in Constantinople. In 1923 was elected Deputy for Erzincan. In 1924 was assistant Turkish delegate for the exchange of Turco-Greek populations, and in 1923 became chief delegate on the appointment of Tevfik Rüştü Bey as Minister for Foreign Affairs. Negotiated the Turco-Greek Agreement of 1925, and in June was appointed Minister at Vienna. Short and stoutish, Hamdi Bey speaks French fairly well and is intelligent and moderate.

29. *Hamdullah Suphi Bey.*

Born at Constantinople in 1881. Educated at Galata Saray College. In 1901 entered Ministry for Foreign Affairs as a clerk. Remained there till 1908, occupying himself in writing poetry. After the Constitution continued his literary efforts, and was the founder of a society of young poets which developed into the Turkish Ojaks. In 1910 appointed Professor of Turkish Literature at the Constantinople University. Was for a time in opposition to the Committee of Union and Progress, but after the Balkan war was on good terms with the Unionists. Later became the leading propagandists of pan-Turanianism. Travelled in Germany during the war. In the early armistice was anti-British and pro-Italian. In April 1920 joined Mustafa Kemal at Angora. Later in the year was for a time head of the Kemalist Intelligence Service. January–April 1921, Minister of Public Instruction. In April became Vice-President of the Assembly, and occupied himself chiefly with the pan-Islamic Congress, then held in Angora. Was again Minister of Public Instruction during the latter half of 1921, and was one of the first of the Angora leaders to make a speech against the Sultan. In 1923 was elected Deputy for Constantinople and later president of the Turkish Ojaks, to which he devoted most of his time and energy. During 1923 was president of the Foreign Affairs Commission of the Assembly,

and from March till December 1925 was again Minister of Public Instruction, resigning finally on grounds of ill-health. September 1927 re-elected for Constantinople, and became a member of the Constitutional Commission of the Assembly. In October 1930 went to Athens as a member of the Turkish delegation to the Balkan Congress. Early in 1931 the Turkish Ojak organisation was merged in that of the Popular party, to his great grief, and in April, not having been re-elected Deputy, he was appointed Minister at Bucharest.

Hamdullah Suphi Bey is an idealist of the pan-Turanian school, and was the moving spirit of the Turkish Ojaks until their suppression. He is a keen moderniser. Is not possessed of means, and his honesty is above reproach. Is violently anti-Russian; one of his sons is at the English High School for Boys at Constantinople.

30. *Hasan Bey.*

Born in Trebizond in 1884. Said to be of Laz origin. Educated at Constantinople and in Paris, where, from 1909–14, he studied at the School of Political Science. During the war was head of the Economic Section of the Food Supplies Directorate, and in December 1919 became Deputy for Trebizond. Joined the Kemalist movement in March 1920, and in May 1921 became Minister of Finance, holding the post until April 1922. By this time he was apparently very pro-Bolshevik in sympathy. From May till July 1922 Minister of Economics and Public Works. In November was appointed member of the Turkish delegation to the Lausanne Conference, when he acted as financial expert. In September 1923 was again Minister of Economics. In March 1924 Minister of Commerce, and in March 1925 again Minister of Finance, resigning in July 1926, ostensibly on grounds of ill-health. Continued, however, to play an important part in Turkish financial matters. Was re-elected Deputy in September 1927, and in November, when it was rumoured that he would re-enter the Ministry, he became first Vice-President of the Assembly. Was president of the Turkish delegation to the Balkan Congress at Athens, October 1930. In May 1931 went with the Minister for Foreign Affairs to Geneva to attend the European Union Conference, and while there attended also the International Conference for the Limitation of Dangerous Drugs. In October was president of the Second Balkan Conference, held at Constantinople, and in December was elected president of the Supreme Economic Council. Led the Turkish delegation to the Third and Fourth Balkan Conferences at Bucharest and Salonica in 1932 and 1933 respectively.

Hasan Bey fancies himself as an expert in matters pertaining to finance. Knows French fairly well; is a man of private means, wily and has a sense of humour. Not attractive personality. Probably a bully, has been described as something of an "apache," and most nearly answers the description when playing bridge, which he does very well. Has a young and not unattractive wife.

31. *Hasan Fehmi Bey.*

Born at Gümüşane in 1877. Educated at Constantinople, and from 1902 to 1910 held various posts in the Turkish Civil Service. In 1910 Governor of Gireson (Kerasund), and in 1912 of Komotini (Gümülcina). 1913–18 Deputy for Gümüşane. Joined Mustafa Kemal in April 1919. In 1920 Vice President of the Assembly. In April 1922 was Minister of Finance. In 1923 elected Deputy for Gümüşane. August 1923 till January 1924 again Minister of Finance, resigning because of a dispute over the Anatolian Railway question. November 1924 till March 1925, Minister of Agriculture. December 1925, became one of the Government delegates on the board of the Ottoman Bank. Was re-elected Deputy in September 1927. In November of that year became chairman of the Finance Commission, and in November 1928 a member of the Constitutional Commission. Re-elected Deputy for Gümüşane in April 1931, and elected chairman of the Budget Commission in May.

Hasan Fehmi Bey is not regarded as a strong man, and during his occupation of ministerial posts was little more than a nominee of Mustafa Kemal.

32. *Haydar Bey.*

Born at Philippopolis about 1885. Having completed his studies at Galata Saray College, he entered the Ministry for Foreign Affairs and remained there

till 1911, when he became second secretary at Sofia. Attended the London Peace Conference in 1913 and then remained at Sofia until February 1919, when he returned to the Ministry. June–December 1919 was Director of Press, and in May 1920 became private secretary to the Minister for Foreign Affairs, retaining the post till the fall of the Constantinople Government in November 1922. Was a member of Turkish peace delegation to London in February 1921 and March 1922. Early in 1924 was a Turkish delegate for exchange of populations, and in August became first secretary in Berlin. In August 1925 was appointed Chargé d'Affaires at Stockholm, Oslo and Copenhagen. In November 1928 was appointed Minister at Belgrade, and in the autumn of 1931 acted as Under-Secretary of State for Foreign Affairs in the place of Numan Bey.

Haydar Bey is something of an intriguer and rather an opportunist, having tacked fairly successfully to the varying winds which have blown in Turkey during the last generation. He is, however, amiable and good-mannered, as well as able and intelligent. Strongly favours a close Bulgaro-Turkish friendship.

33. *Hikmet Bey, Yusuf.*

Born in Constantinople about 1882. Educated at the Galata Saray College. Entered the Turkish Diplomatic Service and served as a secretary at Paris and Berlin. Returned to the Sublime Porte early in the armistice, but in 1920 went to Angora, where he at once became Political Director at the Foreign Ministry, and accompanied the Nationalist mission to Europe in 1922. In 1924 was counsellor in London, and in January 1925 again became head of the Political Section of the Foreign Ministry. In the summer of 1925 he became Minister at Belgrade, holding the post till November 1927, when he became private secretary to the President of the Republic. In July 1928 was appointed Ambassador at Kabul, where he has not been a success, but his position was made very difficult by the collapse of Amanullah and the consequent eclipse of Turkish influence. In 1930–31 went on tour in India, and on his return treated His Majesty's Minister at Kabul to animadversions on the laxity of British rule in that country. Became secretary-general to the Presidency of the Republic in the spring of 1932, and on resigning the post in October 1933 was elected Deputy for Manisa and soon afterwards appointed Minister of Education.

Yusuf Hikmet Bey is short, dark, and somewhat insignificant in appearance. He is, however, intelligent. He has agreeable manners, and, in spite of slight deafness, was generally popular in Belgrade, where His Majesty's Minister found him pleasant to deal with. He might, nevertheless, turn out to be something of a mischief-maker. Is said to be a voracious reader and collector of news, without, however, the capacity of digesting or even appraising his material, and so can hardly be considered to be specially qualified for his present post.

34. *Hilmi Bey.*

Early history unknown. Appointed Vali of Adana in 1925, and was soon afterwards fined by the Angora Independence Tribunal for failure to send certain witnesses from Adana to the capital. Later became local Popular party inspector. In September 1927 was elected Deputy for Adana, in October became a member of the executive bureau of the Popular party, and in November a member of the Internal Affairs Commission of the Assembly. Elected vice-president of this commission in 1928, reporter in 1929, and again vice-president in November 1930. In December 1930 succeeded Zekâi Bey as Minister of Public Works, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned on account of ill-health in October 1933.

35. *Hulusi Fuat Bey.*

Born in 1885 at Constantinople. Member of the Turkish Diplomatic Service. Was employed at Berlin and Vienna during the war, and in Christiania in 1923, when he received an appointment in the Ministry for Foreign Affairs at Angora. May 1924 became "chef du cabinet" of Adnan Bey, delegate at Constantinople of the Ministry for Foreign Affairs. In October went to London as a member of the Turkish delegation in the Congress of the League of Nations Societies. Resigned in March 1925 for reasons unknown, though it was suggested that (1) he had outshone Nusret Bey, (2) he was not fully sympathetic with Angora. In May appointed Chargé d'Affaires at Tokyo. In September 1928 was transferred in

the same capacity to Nanking, whence he was recalled to the Ministry for Foreign Affairs in August 1931, to become Director-General of the VIth Department. Is now Director-General of the Vth Department, with the rank of permanent Chargé d'Affaires.

Halusi Fuat Bey is a son of "Deli" Fuat Pasha, and his wife, who is a pleasant woman and an excellent linguist, is a daughter of Mahmut Muhtar Pasha and a niece of the King of Egypt on her mother's side. He is pleasant to deal with, accustomed to European ways, enjoys a good cigar, not very clever, and believed to be fairly straight. Knows English and speaks excellent French.

36. *Hüseyin Cahit Bey.*

Born at Constantinople in 1876. Took up the teaching profession, but in 1908 went over to journalism and became, till 1912, editor and part proprietor of the *Tanin*, the official organ of the Committee of Union and Progress. From 1908 was one of the Constantinople Deputies in the Chamber, of which he became one of the vice-presidents during the war. Before the war was representative of the Turkish bondholders on the Public Debt. Played no great political part during the war, but at the armistice was arrested and deported to Malta. Released in April 1921, he spent the following year in Europe. On his return to Constantinople, he recommenced publication of the *Tanin*, and, for a time, supported the Kemalist régime. Nevertheless, he kept in close touch with the surviving Committee of Union and Progress leaders, and gradually began to take a more independent line in his writings. By 1923 the *Tanin* had become the chief organ of the Opposition, and in December Cahit Bey was tried and acquitted for the publication of the Aga Khan letter. In April 1925 he was again arrested for his publications, the *Tanin* was suppressed and Cahit Bey was sentenced by the Independence Tribunal to a life-time confinement in a fortress (Çorum). He was again brought before the tribunal in August 1926 for alleged participation in the Smyrna plot, but was acquitted and soon afterwards released. In 1930 became chairman of the board of directors of the Bank of Industries and Mines. In September 1932, created a sensation at the First Turkish Linguistic Congress by calling in question the Gazi's favourite linguistic theories, and opposing the wholesale elimination of words of foreign origin.

Tall and slight, Cahit Bey was remarkable for his biting satire, and was feared by his enemies. Has written several poems and produced a number of scholastic books. His former power was doubtless derived partly from his association with Cavit Bey and the Government seem to have brought him to terms.

37. *Hüseyin Ragip Bey.*

Born about 1885 in Rhodes. A brother of Resit Galip Bey, ex-Minister of Education (1932–33). In 1923 was appointed Turkish representative in Paris. Transferred to Bucharest in April 1925. Appointed Ambassador at Moscow in January 1929.

Is of pleasant address, unmarried, speaks good French, and is well looked upon in the highest Angora circles. Possibly the best Turkish Ambassador to Russia since the war. Keeps an open mind about the Soviet régime and endeavours to judge it without bias. Entertains generously and with good taste.

38. *Hüsrev Bey, Ridvanbeyoglu.*

Born about 1884. A soldier *de carrière*; was military attaché at Athens at the outbreak of the Great War, and later served on the staff of the Caucasus Army as an intelligence officer. During the early part of the Nationalist struggle was private secretary to Mustafa Kemal Pasha. In February 1921 was a member of Bekir Sami Bey's mission to Paris, London and Rome. In July 1923 was elected Deputy for Urfa. In May 1924 became Minister at Budapest. Later resigned his deputyship on opting for his Legation. In August 1926 was appointed Minister at Sofia. In July 1930 was appointed Ambassador at Warsaw, but did not proceed, and the following month was appointed Ambassador at Tehran, where he became increasingly unpopular, making no secret of his disgust for all things Persian. In 1931 the Persian New Year arrangements were altered to prevent his making a speech as doyen of the Diplomatic Corps.

Hüsrev Bey is tall and good-looking, and is a friend of the Gazi.

39. *Ibrahim Tali Bey.*

Born about 1885. An ex-army doctor by profession, and served in that capacity during the Great War. Came under the Gazi's notice at Diarbekir in 1916 or 1917. Later became Turkish consul at Batum. In February 1924 it was rumoured that he would succeed Adnan Bey as representative of the Ministry for Foreign Affairs at Constantinople, but instead, he went to Salonica to investigate alleged abuses on the part of the Turkish consul there. In April was appointed Minister at Warsaw. January 1926 elected Deputy for Diarbekir, and returned to Angora in the following month. In May became inspector-general of the People's party in Constantinople, and, as such, had very extensive powers. Took a prominent part in the 1927 elections and was himself again returned for Diarbekir. In October became vice-president of the Executive Council of the People's party, and in November a member of the Assembly Foreign Affairs Commission. In December resigned his deputyship on being appointed inspector-general of the Eastern Provinces, with extensive powers. Has had considerable success in modernising the backward districts under his jurisdiction. Resigned post and elected Deputy for Constantinople in December 1932.

Ibrahim Tali Bey is a short, bullet-headed man and wears heavy glasses. He speaks French and a little English, and is cultured. Is pleasant in conversation, genial, tactful and broad-minded. Has been to Bombay, studies Anglo-Indian administration and makes his officials start work at 7·30 and stop at 1.

40. *Ihsan (Latif) Pasha.*

Born about 1875 at Constantinople. Left military college as a staff captain in 1896. 1900–06 military attaché at Athens. Joined the General Staff as lieutenant-colonel in 1906. From 1908 to 1911 he served on the staff of the VIIth Army, being then appointed its chief. Later, recalled to the Imperial General Staff, was placed in command of Edremit Division in 1912, and in 1914 was transferred with rank of brigadier-general to the 34th Division at Erzerum. Was captured after the battle of Sarikamis in January 1915 and sent as a prisoner to Siberia, whence he escaped in December, making his way on foot to China, and from there returning by way of America to Constantinople. On his return he was placed on the retired list by Enver and took up the post of mayor at Yeniköy, on the Bosphorus. Brought back after the armistice, and became in 1919 a member of the Military Court of Constantinople, in 1920 Inspector of Prisoners of War and in 1921 Director of the War Department. This brought him in close touch with the Angora Government, and in December he became superintendent of their organisations in Constantinople. Though officially unemployed from November 1922, he was charged with the defence of Constantinople in the event of war between Turkey and the Allies. In July 1924 became Vali of Smyrna, in 1926 Deputy for Constantinople and since 1927 has been a member of the National Defence Commission of the Assembly. Elected Deputy for Giresun (Kerasund) in April 1931, and member of the executive bureau of the People's party in November 1933.

Ihsan Latif Pasha is a thin, short man with ape-like features. He is something of an opportunist. He is married, and has an American-educated English-speaking daughter, who is married to Emin Ali Bey, Turkish Chargé d'Affaires at The Hague. He has published an account of his escape from Siberia.

41. *Ismet Pasha.*

Born in 1880 at Smyrna, where his father was a small landed proprietor. Educated at the military college, and from 1906–12 saw service in Thrace and the Yemen. Joined the General Staff in 1914. 1915–16 Chief of Staff of the Caucasus army. 1917–18 in Palestine, and became Under-Secretary for War in the autumn in 1918. Early showed Nationalist sympathies, and joined Mustafa Kemal in March 1920, at once becoming Chief of Staff of the Nationalist forces. Assumed command of the Western Army in December 1920, and was chief Turkish delegate at the Mudanya Conference in October 1922. In the same month was appointed Minister for Foreign Affairs, and in November went to Lausanne as chief Turkish delegate. Signed the Treaty of Lausanne on behalf of Turkey in July 1923, and in October became Prime Minister, retaining the portfolio of Foreign Affairs. At the same time Mustafa Kemal delegated to him

the functions of president of the People's party. During 1924, owing to his ill-health, his administration became more and more unpopular, and he resigned in November. On the outbreak of the Kurdish revolt in March 1925 he was again summoned to power by Mustafa Kemal, and has since been Prime Minister, though, in August 1925, it was rumoured that his relations with the Gazi had become strained owing to his opposition to the divorce of Latife Hanim. This rumour proved unfounded, and his position remained as strong as ever. In August 1926 he was promoted general of the first class, and in November 1927, after the general election, at which he was re-elected for Malatya, he reconstructed his Cabinet on more moderate lines. In 1930 his health was not good, and he was subjected to much criticism, but defended himself strongly on formation of Liberal party in August. His triumph was again complete when Fethi Bey was forced to dissolve that party in November. Re-elected for Malatya in April 1931, and soon after again became Prime Minister with the same colleagues as before. Paid official visits to Moscow and Rome in the spring of 1932 and to Sofia in September 1933.

Ismet Pasha, in his army days, was regarded as an exceptionally capable staff officer, an indefatigable worker, and was, to a large extent, responsible for the final Nationalist success against the Greeks in 1922. At Lausanne he showed himself a stubborn but able negotiator. Is courteous and never shows signs of being ruffled, but suffers from deafness, which, however, he probably finds convenient at times. Is the only one of the prominent early Nationalist leaders who has retained the confidence of Mustafa Kemal, and remains, as he has been for the last six years, the President's right-hand man. According to Halide Hanim (July 1926): "He subordinates himself entirely to the Gazi and only wants to hang everybody." Though this estimate is undoubtedly overcoloured, there is certainly a hard strain in Ismet Pasha's character, while, as regards the Gazi, it is probably truer to say that they make an admirable combination, Ismet Pasha not always being merely the organ of execution of reforms, but sometimes, at any rate, being even more thorough-going than his chief.

42. *Izzettin Pasha.*

Early history unknown. Commanded the Ist Army Corps at the Sakarya battles, 1922. In July 1923 was elected Deputy for Aydin, but resigned his seat in October 1924 on opting for military duties. In June 1925 became Inspector-General of the IIIrd Army. In August 1926 was promoted general of division and in 1930 full general. Is a member of the Supreme War Council. In November 1933 accompanied the Voroshiloff-Karakhan delegation (which had visited Angora for the celebration of the tenth anniversary of the Turkish Republic) back to Odessa, where he was fêted and gave public expression to Russophil sentiments.

43. *Kâzim Pasha.*

Born at Diarbekir in 1879. Educated at the military school. 1904–08 employed at the Ministry of War. 1909–12, and again 1913–14, military attaché at Rome. 1915 Chief of Staff of the Ist Army at the Dardanelles, under Liman von Sanders, whom he accompanied throughout the war, and finally to Palestine. In November 1918 became director of the Military Council. Showed no violent anti-Ally feelings during the armistice, and in June 1920, after joining in an effort to secure a reconciliation between Angora and Constantinople, joined Mustafa Kemal, though at the time expressing the continuation of his sympathy with Great Britain. In October 1920 was appointed Director-General of Administration of the Kemalist Western Army, and in October 1921 Under-Secretary of National Defence. In 1922–23 was in command of the Turkish troops on the Çanak front. In 1924 succeeded Cevat Pasha as an inspector of the IIIrd Army. In the spring of 1925 was in charge of the troops for the suppression of the Kurdish revolt, and in June resigned his military inspectorate. In August 1926 became Vali of Samsun. In November 1930 was forced to resign and summoned to Angora because of his impartial attitude during the municipal elections at Samsun, which resulted in the victory of all the Liberal party candidates. Was subsequently forgiven, and elected as People's party Deputy for Smyrna in December 1932.

Kâzim Pasha was highly esteemed by Liman von Sanders, and is an industrious, well-trained and efficient officer. He is not a political intriguer, has

moderate views and has never expressed a marked preference for any particular party. At Samsun he earned a reputation for energy and efficiency. He is friendly with foreigners, and was held in high esteem by the foreign colony at Samsun.

44. *Kâzim Pasha, Köprülü.*

Born at Veles (Köprülü) about 1884. Has followed a military career, and was early a staunch adherent of the Committee of Union and Progress. Held various commands in the eastern vilayets, and during the war was Director-General of Administration to Ali Fuat Pasha. In July 1919 was in command of troops at Balikesir, and there worked for the Nationalist cause. In the autumn raised irregular bands round Bandirma to support Mustafa Kemal, who appointed him Governor of the Balikesir area in January 1920. In June was given command on the northern front, and, after the battle of the Sakarya, was promoted Pasha, becoming, in the following month, January 1922, Minister of National Defence. Held this post till November 1924, when he became President of the Assembly. In August 1926 was promoted to be divisional general of the first class. Following the general election in September 1927, at which he was again returned for Karasi (Balikesir), he was, in November, re-elected President of the Assembly, and has been re-elected each succeeding year. Was president of the Turkish Linguistic Congress at Constantinople in the autumn of 1932.

Kâzim Pasha is fairly well educated, and speaks a little French. He is considered to be tenacious though reasonable, but he does not strike one as a strong character. Has poor health. Is probably anti-German, and possibly still anti-Bolshevik, and during the Nationalist struggle made it clear that he was anti-Greek as distinct from anti-Ally. Is influential, but not an attractive personality. A keen poker player.

45. *Kâzim Pasha, Mehmet.*

Born about 1883. Fought in Turco-Italian and Balkan Wars, also in Great War in Austria (commanded a brigade against the Russians at Przemysl), at Gallipoli and Erzerum. At the armistice was Chief of Staff of IXth (Caucasus) Army. Was in charge of the division which captured General Tricoupis in the War of Independence. In 1925 he became Sub-Chief of the Turkish General Staff. Was promoted general of division in 1926, and in November 1928 was chief of the Turkish military mission then sent to Afghanistan, but the mission came to nothing owing to the collapse of Amanullah. Given command of IVth Army Corps in June 1929. Now Inspector-General of Gendarmerie.

Kâzim Pasha has a precise manner of speaking, but is pleasant and reasonable. Supposed to be rather hidebound as regards military matters. He is married to a sister of the late Enver Pasha. Probably anti-Russian and pro-German. A great friend of Kemalettin Sami Pasha, Turkish Ambassador at Berlin.

46. *Kâzim Karabekir Pasha.*

Born at Bitolj (Monastir) in 1878 of poor parents. Has throughout his life followed a military career. Held numerous staff appointments during the war. Immediately after the armistice was given command of the XVth Army Corps at Erzerum, where, in 1919, he established contact with Mustafa Kemal, definitely joining the latter in September. In 1919–20 was responsible for the consolidation of the Nationalist position in the eastern vilayets and for the repression of the Armenians. At the same time, was closely in touch with Bolshevik agents. Was throughout inclined to act independently of Angora, and for a time his relations with Mustafa Kemal were strained. In September 1921 represented Turkey at the Kars Conference, when he incurred the displeasure of Angora by adopting too conciliatory an attitude towards the Bolsheviks, and also, probably, because of his great influence in the eastern provinces. In 1922 was given full powers there, and for a time was in touch with Enver Pasha. Finally arrived at Angora in October 1922, and, after being for a time unemployed, probably owing to the jealousy of Mustafa Kemal, became one of the military inspectors. Elected Deputy for Constantinople in 1923, he resigned his military duties in October 1924. Joined the Opposition, resigned from the People's party in November, when he became president of the new Progressive party, which was suppressed

in March 1925. He continued his opposition activities, and in July 1926 was arrested and tried at Smyrna for participation in the alleged plot against the Gazi, but was acquitted, probably owing to his influence with the army, which it was later stated wished to make him leader of an opposition movement. Ceased to be a Deputy in September 1927, and was severely criticised in the Gazi's lengthy review of the revolution in October 1927. Since then little has been heard of him, though his influence, particularly with the army, still remains considerable. Was proposed as an Independent candidate for Istanbul in 1931, but not elected, as his candidature was vetoed by the Popular party. In May 1933, in a letter to a newspaper, claimed the credit of having started the Nationalist movement before Mustafa Kemal. This caused an uproar in the press, which made much of the Gazi's comment that Kâzim Karabekir was a case for the mental specialists.

Colonel Rawlinson says: "Kâzim Karabekir Pasha is the best example of a first-class Turkish officer that I have met. Any army under him will be well commanded." Possessed of a naturally quick and bright intelligence, he is master of every branch of his profession, and most conscientious in the performance of his duties. Is straightforward, and much of the Nationalist success was due to his competent handling of the Eastern Army.

47. *Kemalettin Sami Pasha.*

Was a major in the early days of the armistice, later becoming chief director of Nationalist activities in Constantinople and one of Mustafa Kemal's most devoted workers. In 1922 commanded the IVth Army and in 1923 was elected Deputy for Sinop, but resigned Deputyship in October 1924, in consequence of his appointment as Ambassador at Berlin. Became popular there as a characteristically frank soldier and ardent pro-German, who spent much of his time visiting German industrial institutions. Was promoted a general of division in 1926, retaining his post as Ambassador at Berlin.

Kemalettin Sami Pasha poses as a blunt soldier with no little scorn for most countries, except his own, Germany and Russia. He was once very anti-British as a result of his experiences during the armistice, but it is understood that at Berlin he has manifested no anti-British bias. He speaks good German and fair French, and his wife (a niece of the ex-Khedive, Abbas Hilmi Pasha) is pleasant and speaks excellent English.

48. *Kiliç Ali Bey.*

Born about 1882. Before and during the war was a non-commissioned officer. In 1919 he organised a tough lot of bashi-bozuks at Balikesir. Next heard of in Cilicia in 1920-21, when he acted with great energy against the Armenians, thereby earning the sobriquet of "Kiliç" (sword). At the same time changed his name from Asaf to Ali, and became Deputy for Avintap, which he still represents in the Assembly. In July 1924 assaulted Celal Nuri Bey with impunity in his office, and two months later accompanied Mustafa Kemal on his tour of the eastern provinces, an association much criticised at the time. Continued, however, to be one of the chief associates of the Gazi, and in March 1925 became a member of the Angora Independence Tribunal. In February 1927 wounded Salih Bey in a brawl arising out the Swedish railway contract. The independence tribunals having been suppressed in March, Kiliç Ali devoted himself to his numerous commercial activities till the summer, when he was in attendance on the Gazi at Constantinople. In November was a member of the Turkish mission sent to Moscow in connexion with the Russian revolution anniversary celebrations, and in the same month became a member of the executive bureau of the People's party and of the Defence Commission of the Assembly. Is a member of the board of the Is Bankasi.

Kiliç Ali Bey's character is clear from his record. He is a brute and a bully, with no apparent compensating features. He is, however, influential, owing to his friendship with the Gazi, though outwardly at least that friendship seems to be subject to a good deal of ebb and flow.

49. *Mahmut Bey.*

Born about 1880. At one time, before the war, was tutor to one of the Imperial Princes. An army officer, he occupied his spare time in writing or

translating military text books. Was an aide-de-camp to Mustafa Kemal in the independence war. Since 1923 has been Deputy for Siirt. By 1926 had become chief editor of the semi-official *Hakimiyeti Milliye* (Angora), and *Milliyet* (Constantinople); was a member of the executive bureau of the People's party and president of the fifth section of the Assembly. In November 1927 he became reporter of the Foreign Affairs Commission of the Assembly, and in the same month was a member of the Turkish mission sent to Moscow for the celebration of the tenth anniversary of the Russian revolution. Went to Paris and London, and was much pleased with his reception in London. He is also vice-president of the Turkish Aviation League and chairman of the board of the Is Bankasi. Was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople in October 1931.

Mahmut Bey is one of the leading journalists in Turkey and the President's man of business. Is very influential, but not much seen in public. Speaks French well and is capable. Appearance is very oriental, of an almost negroid type.

50. *Mahmut Esat Bey.*

Born at Smyrna in 1886. Studied law in Constantinople and Switzerland, obtaining his degree in Fribourg in 1911. In 1912 established himself in Smyrna as a lawyer, and remained obscurely there till 1919. In May 1920 went to Angora, and in the following month was appointed Deputy for Smyrna and still retains this seat. In May 1922 published a violent article against the Sublime Porte and the Sultan, and in June became secretary of the Foreign Affairs Commission of the Assembly. In July became Minister of Economics, holding the post till September 1923, when he retired to Smyrna and was understood to have become an oppositionist. In March 1924 opposed the grant of veto and dissolution powers to the President of the Republic. In November became Minister of Justice, retaining this portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In August September 1926 Acting Minister for Foreign Affairs during the absence of Tevfik Rüstü Bey at Geneva. In 1926 and 1927 he made several visits to Europe in connexion with the "Lotus" question, and was chief Turkish delegate before The Hague Tribunal in the summer of 1927, when the Turkish case was upheld. In 1930 became increasingly unpopular, and was accused of influencing the course of justice. His position became gradually weaker during the summer, and he was one of the chief objects of attack of Fethi Bey and the new Liberal party. Was not included in Ismet Pasha's Cabinet as reformed in September 1930 and in May 1931. In October 1931 published in a Smyrna newspaper a series of violent articles against freemasonry.

Mahmut Esat Bey speaks French and German as well as Turkish and Greek. He is considered to be one of the best Turkish specialists in Constitutional Law. He showed great energy in the introduction of Criminal and Civil Codes based on Western models, of which the last named has revolutionised Turkish family life.

51. *Memduh Şerket Bey.*

Early history unknown. Appointed Turkish Minister at Tehran in August 1925, and rather more than a year later returned to Angora with Teymourtache, via Moscow. Was said to be associated with schemes for an Asiatic League of Nations. Resigned his post in August 1930, nominally on grounds of ill-health, and was elected Deputy for Elaziz in April 1931. In October was a member of the Turkish delegation to the Second Balkan Conference at Constantinople. Elected member of the Constitution Committee of the Assembly in November 1932. Was also a member of the executive bureau of the People's party. Appointed Ambassador at Kabul in January 1933, and, after resigning his deputyship, left to take up his post in October.

Memduh Sevket Bey had at one time the reputation of being very Asiatic and practically ignorant of Western Europe. At Tehran, however, he learned to speak French fluently, and was very friendly towards His Majesty's Legation. Is understood to have wide interests, especially historical.

52. *Muhlis Bey.*

Born in Constantinople about 1887. Graduate of Halkali Agricultural School in 1911. Taught there 1911–16. Sent by Turkish Government to

Germany for special course of study, and on his return resumed position as teacher at Halkali School. Was employed for a time as adviser in Ministry of National Economy, returning later to the agricultural school, where he specialised in the subject of milk. Still later became rector of the school, and was Under-Secretary for Agriculture in 1926 and 1927. In the latter year was elected Deputy for Brusa and member of the Budget Commission of the Assembly, of which he became *rapporteur* in 1928. In 1931 was elected Deputy for Kütahya and secretary of the Budget Commission. In December 1931 was appointed to the newly-created post of Minister of Agriculture. Is friendly and popular. Known to the Diplomatic Corps chiefly in connexion with the Angora Riding Club, of which he is an active member.

53. *Muhtar Bey, Ahmet.*

Born at Constantinople in 1871. Studied at French school and military college in Constantinople. In 1891 received a post in the Consular Department of the Ministry for Foreign Affairs; in due course became its sub-director-general. In 1909 consul-general at Budapest. In 1912 Minister at Athens. Joined the Committee of Union and Progress, and in 1913 was for a short time Minister for Foreign Affairs. In 1917 Minister at Kiev. Returned to Turkey in March 1919. Became Deputy for Constantinople. Escaped to Anatolia in June 1920 and joined the Nationalist movement. In June 1923 elected Deputy for Constantinople, and in the same year appointed Ambassador at Moscow. In October 1924 he opted for his deputyship and returned to Turkey. From 1923 till 1927 was secretary of the Foreign Affairs Commission of the Assembly. In June 1927 his appointment as Ambassador to Washington was announced, and in November he took up his duties.

Ahmet Muhtar Bey is a man of the world, and his long official career has given him at least all the outward characteristics of a diplomat. He strikes one, however, as being somewhat sinister, though he is very agreeable in conversation. Speaks French fluently. Is credited with strong Russian sympathies.

54. *Münür Bey, Mehmet.*

Born about 1875. Educated at the Mülkiye College and Law School at Constantinople. After obtaining his diploma of doctor of law, was appointed one of the assistant legal advisers of the Sublime Porte, holding this post till 1916, when he became chief legal adviser. As such attended the conference of Brzesć (Brest-Litovsk). Accompanied Izzet Pasha on the reconciliation mission to Anatolia in December 1920. At once placed his services at the disposal of the Nationalist Government, and became legal adviser. Was Turkish legal adviser at the Lausanne Conference, and returned to hold the post at the Ministry for Foreign Affairs till February 1925, when he was appointed Turkish Minister at Berne. Became Ambassador at Paris in August 1930. Transferred to London in May 1932.

Münür Bey is a pretty good lawyer and rather the simple old-fashioned kind of Turkish official. He has a reputation for honesty, and created a good impression on the British delegates at the Lausanne Conference.

55. *Mustafa Kemal Pasha.*

Born in 1880 at Salonica, son of an Albanian father and Turkish mother. Had an entirely Turkish upbringing, and was educated at the Mülkiye School at Salonica and at the military college in Constantinople, from which he passed out with the rank of captain in 1905. In 1907 he was for a time exiled to Damascus. Receiving a staff appointment at Salonica, he early joined the Committee of Union and Progress, and was at Salonica when the Constitution was proclaimed. Soon after quarrelled with the Committee of Union and Progress. 1910–11 served in Tripoli; 1913 became aide-de-camp to the Heir Apparent and military attaché at Sofia. In October 1914 was given a command at Gallipoli and distinguished himself at Anafarta in 1915, when he alone saved the situation in defiance of Von Sanders's orders. Later in the same year he fell foul of Enver and remained unemployed till 1917, when he was given a Caucasus command. In 1917–18 had twice command of the VIIth Army on the Palestine front, but quarrelled in turn with Von Falkenhayn, Liman von Sanders and Enver. In May 1919 was sent to Anatolia to stem the rising tide of nationalism and on

his arrival at Samsun immediately assumed leadership of the movement. On the 18th July announced his resignation from the army and devotion to the Nationalist cause, and on the 27th summoned the first Nationalist Congress at Erzerum. In November summoned the second Nationalist Congress at Sivas, and in December at Angora. During the following months he tried to dictate to the Constantinople Government, and in April 1920 established an independent Government at Angora. In May became President of the First Assembly and proceeded to organise the Nationalist army. In 1921 received Russian and Afghan Ambassadors at Angora, and in November was vested with absolute authority for the prosecution of the war. Early in 1922 had some difficulties with Assembly, but his dictatorship was successively prolonged for limited periods, and with the Nationalist victory over the Greeks in August–September his ascendency was complete. In November secured from the Assembly the abolition of the Sultanate. This step gave rise to opposition in the Assembly, and he dismissed it in April 1923. In the following election Kemalist nominees were to a large extent elected, Mustafa Kemal himself becoming one of the Deputies for Angora. In August was re-elected President of the Assembly, and in October, on the emergence of a Cabinet crisis, had a republic proclaimed with himself as President. Early in March 1924 decreed the abolition of the Caliphate, though in the same month the right of veto was refused to him, while in April the supreme command of the army in time of peace was vested in the Chief of the General Staff. Since that time the President has inspired the policy of the Government, and in all essentials controlled the Administration through his nominees. Though in many respects his policy is but a continuation of that of the Committee of Union and Progress, the drive which has put the recent great innovations through has been mainly his own. In August 1925 he divorced his wife, Latife Hanim, whom he had married in 1922, and in the same month he decreed the abolition of the fez. During the summer of 1926 a plot to assassinate him was "discovered" at Smyrna, and as a result a number of Opposition leaders were hanged. Early in 1927 his health showed signs of giving way, and he moderated his manner of life. He was also seen much more in public and his behaviour became more decorous. In the summer, after an absence of eight years, he at last visited Constantinople, and from there controlled the general election in September, at which only his nominees were returned. In October he made further history by delivering a six-day speech before a party congress, in which he reviewed the whole course of the Turkish revolution. In the following month he was unanimously re-elected President of the Republic.

In May 1928 the King of Afghanistan paid him an official visit in Angora, being the first head of a foreign State to do so. As in 1927, the summer was spent at Constantinople and was followed by an extensive provincial tour, during which the campaign for the reform of the alphabet was launched, and the Gazi—a title assumed after the victory over the Greeks—earned the sobriquet of "Professor-in-Chief." In the autumn of 1930 his position became delicate owing to his having encouraged the formation of the new Liberal party by Fethi Bey, who had to dissolve it some months later. Started on a prolonged tour of the provinces in November to investigate abuses and hear complaints. Re-elected President of the Republic by the Fourth Grand National Assembly, May 1931. Has since been chiefly interested in Turkish historical and linguistic studies; has arrived at the conclusion that European languages and civilisation had their origin among the Altai Turks many thousands of years B.C. and, in particular, that the Hittites were of Turkish stock.

Mustafa Kemal Pasha is about 5 feet 7 inches tall, with a sallow complexion and steel grey eyes with a fixed expression. Has strong regular features and is now inclined to stoutness. Possesses an impressive delivery in speech-making, but has little personal magnetism. He is a driver rather than leader of men, is jealous of superior brains, and can brook no opposition, as the record of his life shows. From his early days he has been an excessive drinker, and is still given to excesses. Is, however, possessed of an iron will and constitution.

56. *Mustafa Seref Bey.*

Born in Burdur in 1884. A graduate of the faculty of law of Constantinople and Paris. Was director of the Law School at Konya, professor of the Turkish University, Under-Secretary of the Ministry of Commerce, under the Imperial régime. Elected Deputy for Burdur. Took part in the Lausanne

Conference. Lately one of the Turkish delegates for the negotiation of commercial treaties. Appointed Minister of National Economy in Ismet Pasha's new Cabinet, September 1930, and retained his portfolio in new Ministry, May 1931. Resigned in September 1932, and in November was elected chairman of Finance Committee of the Grand National Assembly. In April 1933 went to Rome as member of Turkish delegation to International Parliamentary Economic Conference, and in November became chairman of the Budget Committee of the Assembly.

57. *Naci Pasha.*

Born at Bitolj (Monastir). Passed out of Constantinople Military School with rank of second lieutenant of infantry in 1893, and went to Germany for a course of military studies. Teacher of military manœuvres from 1897 to 1909. Commanded school for reserve officers at Beylerbey until its suppression in 1912. In February 1913 appointed director of studies at the Constantinople Military School. In February 1915 was made director of the training camp at Erzerum, and in 1917 joined the General Staff of the Caucasus armies. In July 1918 appointed personal A.D.C. to the Sultan (Mehmet VI, Vahidettin), and retained the post until April 1920, though in sympathy with the Nationalist movement, for which reason he fell foul of the Grand Vizier Damat Ferit. Accompanied Salih Pasha on his mission to Anatolia, and joined Mustafa Kemal. In 1924 was head of a military mission to Britain, France and Poland. In May–June 1925 was in command of the Government forces at Diyarbekir for the repression of the Kurdish revolt of Sheikh Sait. In 1927 commanded the Vth Army Corps at Konya and was promoted Divisional General. In 1928 made the arrangements for King Amanullah's visit to Angora, and was to have gone to Afghanistan as military adviser, but Kâzim Pasha was sent instead. Thereupon resigned from the army, and was elected Deputy for Cebelibereket. Was president of the National Defence Commission of the Assembly from November 1928 to November 1930, and is a member of the same commission since the latter date. Re-elected Deputy for Cebelibereket, April 1931.

Naci Pasha is short, very dapper, possessed of pleasant but very formal manners, a refined and charming wife and an attractive daughter. Speaks French and excellent German.

58. *Necmettin Sadik Bey.*

Born about 1890. Owner and chief editor of the *Akşam* newspaper, published at Constantinople. Elected Deputy for Sivas in September 1927, and member of the Public Instruction Commission of the Assembly in November. Was one of the Turkish delegates to the International Press Conference at Cologne in May 1928, and in November was elected member of the Foreign Affairs Commission of the Assembly, a position which he still retains. Early in 1929 his paper published an attack on His Majesty's Ambassador on account of sympathy shown with the sufferers from a fire at Kurtuluş (Tatavla), a Greek quarter of Constantinople, but later gave equal publicity to an explanation by Sir George Clerk. In November 1930 he accompanied, as journalist, the Turkish delegation to the preliminary Disarmament Conference at Geneva. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens, October 1931, and on his return was one of the Turkish delegates at the Second Balkan Conference, held at Constantinople. Member of Turkish delegation to Inter-Parliamentary Congress at Geneva, July 1932, and to the Disarmament Conference in January 1933. Was commissioned by the Gazi to reply to accusations contained in Harold Armstrong's *Grey Wolf*, which he did in a series of articles in the *Akşam* containing violent personal attacks on that author.

Necmettin Sadik Bey speaks French and has pleasant manners.

59. *Numan (Rifat) Bey, Menemenli.*

Born in 1890, a son of Menemenli Zade Rifat Bey, ex-president of the Ottoman Senate, and on his mother's side a relative of Namik Kemal Bey. After passing through Galata Seray College, went to Switzerland in 1913 to study jurisprudence. On the outbreak of war entered the Harbiye College as a cadet, but through his father's influence obtained in February 1915 the post of third secretary at the Turkish Embassy in Vienna. Transferred in 1916 to Berne,

where he remained till transferred to The Hague some years after the war. Appointed first secretary at Athens in 1926, and in August transferred to Budapest as Chargé d'Affaires. After serving for a time as consul-general at Beirut, was in June 1928 appointed Director-General of the First Division at the Ministry for Foreign Affairs. Appointed Under-Secretary of State for Foreign Affairs in June 1929, in which post he completed the work of reorganisation initiated by his predecessor, Ennis Bey. Was in Germany for treatment during greater part of 1931. In May 1933 accompanied Minister of National Economy to Athens for commercial negotiations and cultivation of cordial relations with Tsaldaris Government. In June was promoted to rank of Ambassador and appointed Secretary-General of the Ministry for Foreign Affairs, a new post. In December led a delegation to Rome to negotiate a new commercial treaty.

Numan Bey is slight, somewhat stooped, dark-haired and sallow-complexioned. Has very indifferent health. Quiet and retiring, but very intelligent and efficient, friendly and straightforward. Speaks excellent French, and plays a good game of bridge. Married a French Swiss lady, now deceased.

60. *Nuri Bey, Mehmet.*

Born about 1880. A former military attaché at The Hague. Was with Mustafa Kemal at Tripoli in 1911 and became his personal friend. Earlier history unknown. Elected Deputy for Kütahya in 1923, and again in 1927. In 1926–27 was a member of the Executive Bureau of the Popular party, and was elected to the Foreign Affairs Commission of the Assembly in 1927 and 1928. In August 1930 joined Fethi Bey's new Liberal Republican party, somewhat against the Gazi's wishes, and acted as its secretary-general until the dissolution of the party in November, when he was appointed a member of the Administrative Council of the Iş Bankasi (Business Bank). Again seen a good deal with the Gazi in October and November 1931, when the press announced that he had applied for and obtained readmission to the Popular party. Became member of Economic Committee of the Grand National Assembly in November 1932.

Nuri Bey is tall, substantially built, and by no means forthcoming. Is a hard drinker, and until he joined the Liberal Republican party was one of the Gazi's most intimate and constant companions, and, as such, probably exercised a certain amount of influence. Owns house property at Angora.

61. *Nuri Bey, Osman.*

Early history unknown. Was in 1924 member of staff of Foreign Affairs delegation in Constantinople. Later appointed Turkish consul at Tiflis. In December 1926 became head of Consular Section of Ministry for Foreign Affairs, and in March 1928 Assistant Under-Secretary of State for Foreign Affairs, chiefly in connexion with legal matters. Appointed Director-General of the Third (Balkan) Department in June 1928, and Chargé d'Affaires at The Hague in August 1931. In June 1933 was appointed Under-Secretary of State for Foreign Affairs in succession to Numan Bey, but never took up his duties, it was said because the Gazi considered him unsuitable. In July appointed first Turkish Minister at Tirana since recognition of King Zog by the Gazi.

62. *Nusret Bey.*

Born about 1878 of South Albanian origin. Educated at the Mülkiye College at Constantinople, after which he followed a course of jurisprudence at the law school. In 1903 became a clerk in the Legal Adviser's Department at the Sublime Porte. In 1916 became director of this department. In 1921 accompanied Tevfik Pasha's delegation to London in the capacity of legal adviser. Was in the Turkish delegation at Lausanne. Continued to share with Münür Bey the duties of legal adviser of the Angora Government until 1924, when he was appointed representative in Constantinople of the Ministry for Foreign Affairs. As such he was always ready to take reasonable views, and in so far as his limited powers allowed him, he was helpful. In June 1927 he resigned his Constantinople appointment on being appointed President of the newly-constituted Council of State. In 1931 was appointed chairman of the Board of Central Bank of the Republic—the State Bank.

Nusret Bey gives lectures at the law school on international law, on which he is regarded as something of an authority. Is of a very quiet and studious

disposition, and his chief pleasure consists in the perusal of legal works in French. Is personable and courteous, but in Constantinople his bugbear was social functions in Pera.

63. *Nusret Sadullah Bey.*

Born about 1875, the son of Sadullah Pasha, at one time Ambassador and Minister for Foreign Affairs. Studied at the Galata Seray College, Constantinople, and at Vienna. Entered the diplomatic service, and served at Berlin and Vienna, until about 1900, when he became assistant legal adviser to the Sublime Porte. Owing to bad health was for some years unemployed, but in July 1913, after having been a Deputy for a few months, he became Minister in Belgium and afterwards at The Hague, where he remained until 1923. In 1925 he became head of the Political Section of the Foreign Ministry, but resigned in 1926 for reasons of health. In September 1927 became Deputy for Samsun, and two months later member of the Assembly Foreign Affairs Commission. Appointed Minister at Belgrade in February 1928, he resigned his deputyship, but was re-elected in October, ill-health having made it impossible for him to take up his new diplomatic post. Re-elected member of Foreign Affairs Commission of the Assembly in November 1930. Not re-elected to the Assembly in April 1931.

Nusret Sadullah Bey is cultured and very popular, both in European and Turkish circles. He is also capable, but his poor health—a hereditary weakness, both his father and brother having committed suicide during fits of temporary insanity—has prevented him from attaining the distinction to which he would otherwise appear entitled. Was married to an Egyptian princess, now deceased, the daughter of the late Abbas Halim Pasha. Subsequently married an attractive Turkish lady, very much younger than himself. Is not a politician. Is now engaged in commerce and lives at Constantinople.

64. *Ragip Raif Bey.*

Born in 1874, the son of Raif Pasha. Entered Turkish Foreign Office in 1897, went to London in 1901 and later to Berne, Brussels, Washington and again London, where he was counsellor in 1914. Remained in Europe during the war, and after it was Minister at Madrid. In 1927 became political adviser at Ministry for Foreign Affairs, and in January 1929 was appointed Chargé d'Affaires at Stockholm, Oslo, Copenhagen and Helsingfors. Appointed Chargé d'Affaires at Tokyo in July 1931, but did not proceed. Presented his credentials to the King of Sweden as Minister Plenipotentiary November 1933.

Ragip Raif Bey shows distinct traces of Arab blood, and has a somewhat coarse appearance. Speaks English well, and is a good talker, but is addicted to drink, and when in liquor often indulges in indiscretions, which are generally amusing and sometimes interesting.

65. *Rahmi Bey, Mustafa.*

Born about 1880 at Smyrna. Nothing known of his early history, except that for a time he was a finance official. Since 1923 has been a Deputy for Smyrna. Became Minister of Commerce in May 1926, and in November 1927, on the reconstruction of Ismet Pasha's Cabinet, retained that portfolio, combining with it that of Agriculture. Was not a success in this post, owing to complete lack of business capacity. Resigned on grounds of ill-health in May 1929. Elected member of the Economic Affairs and Accounts Committees of the Assembly in November 1930, and chairman of former committee in November 1931. Became chairman of Agricultural Committee in November 1932.

Rahmi Bey is a big, burly man, who speaks nothing but Turkish. He rarely shows himself in public, but officially is courteous and helpful.

66. *Rana Bey, Ali.*

Born in 1883 at Constantinople and educated at Galata Saray School. Studied wireless telegraphy in Europe, and was employed in the Directorate of Posts and Telegraphs until 1920, subsequently taking up private commercial and agricultural work. Was one of the founders of a modern cotton factory in Turkey. In 1926 was a member of the Constantinople Municipal Council, and in September 1927 was elected Deputy for Samsun, becoming in November a member of the Internal Affairs Commission of the Assembly. In June 1928 he

was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris, was in November elected president of the Finance Commission of the Assembly, and about the same time became a member of the Executive Bureau of the People's party. In the summer of 1929 he represented Turkey at the Universal Postal Congress held in London, and during his stay in England visited several Manchester cotton mills under the auspices of the Department of Overseas Trade. Having been returned as Deputy for Constantinople in April 1931, he was soon afterwards elected vice-president of the Budget Commission of the Assembly, and in October was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople. At the end of December he was appointed to the newly-created post of Minister of Customs and Monopolies.

Rana Bey, who speaks a little English, harbours grateful memories of the numerous official attentions which he received during his visit to London in 1929.

67. *Recep Bey (Mehmet).*

Born about 1880. An ex-army officer. In 1922 became secretary-general of the People's party, and as such had considerable power. July 1923 Deputy for Kütahya. May 1924 became Minister of Interior and resigned from the secretaryship of the People's party. In the autumn of 1924 was considered one of the leading men of Ismet Pasha's Cabinet and a likely candidate for the premiership, but was maintained in his post on Fethi Bey becoming Prime Minister in November. In January 1925 resigned owing to his objections to the Cabinet proposal to appoint prefects by election, and resumed his post as secretary-general of the People's party until, in March, on the return of Ismet Pasha to power, he became Minister for National Defence. Early in 1927 his influence was said to be on the wane. He was re-elected Deputy for Kütahya in 1927 (again in 1931), but ceased to hold ministerial rank when Ismet Pasha reconstructed his Cabinet in November, and a few days later became chairman of the Defence Commission of the Assembly. October 1928 became Minister of Public Works, but was not reappointed on re-formation of Ismet Pasha's Cabinet in September 1930. In March 1931 again became secretary-general of the People's party. Went on a prolonged tour of European countries, including Spain and Norway, in 1932.

Recep Bey was unknown until the later years of the Nationalist struggle, and owed his position to his friendship with the President of the Republic. A big, burly figure, he is said to be ambitious, with a perpetual desire to become Prime Minister. He is, however, something of an extremist.

68. *Refet Bey.*

Born in 1877 at Trnovo. 1898–1908 was employed in the gendarmerie in Macedonia. Commanded the gendarmerie battalion of the Army of Liberation in 1908. Went to the staff school in 1911, and was sent to Damascus in 1912. Became famous as the defender of Gaza in 1916, and 1918 received the command of the XXIIIrd Army Corps in Palestine. At the armistice was appointed commander-in-chief of the gendarmerie, and in May 1919 commander of the IIIrd Army Corps at Sivas. Landed at Samsun with Mustafa Kemal, and immediately became one of the latter's chief lieutenants. In September commanded the Nationalist forces at Konya, and in March 1920 was appointed commander on the Aydin front. In September was appointed Minister of the Interior, holding the post till April 1921. After holding various commands, was Minister of National Defence from July 1921 to January 1922. After the Mudanya Conference was appointed Governor of Thrace, but remained in Constantinople, where he rapidly overthrew the Sultan's Government and established Nationalist authority. In July 1923 elected Deputy for Constantinople, and soon afterwards resigned his appointment, which no longer had any *raison d'être*. In the autumn began to show Opposition tendencies over the proclamation of the republic, and was in close touch with the Caliph and Rauf Bey. Resigned his deputyship in May 1924 and thereafter lived quietly in Constantinople, though maintaining close touch with Rauf and other Opposition leaders. In October withdrew his resignation of deputyship, publicly joined forces with the Oppositionists, resigned from the People's party and became one of the leaders of the new Progressive party. In July 1926 was tried at Angora for participation in the alleged plot against the life of the President of the

Republic, but was acquitted, supposedly because of his prestige with the army. In October he announced his abandonment of political life, and in November finally resigned his deputyship. In 1931 he visited Angora, and it was rumoured that he was to return to political life. Later he was put forward as independent candidate for Istanbul at the parliamentary elections, but his candidature was vetoed by the Popular party and came to nothing.

Refet Pasha is one of the most able of the Nationalist leaders and of considerable political ability. In 1922, at Constantinople, showed himself to be an extremely keen and clever tactician. Though his private life is not above reproach, he can hardly fail to play a prominent part in any future Opposition movement in Turkey.

69. *Refik Bey, Dr.*

Born about 1878. Studied at Stambul Medical School and in Germany, and later practised medicine. Was an early supported of Mustafa Kemal, and from 1921 to 1923 was Deputy for Beyazit in the first Angora Assembly. Since 1923 has been one of the Deputies for Constantinople. Except for the period November 1924 to March 1925, when Fethi Bey was Prime Minister, Refik Bey has been Minister of Health since October 1923. He has discharged the duties of his post with marked ability, and the great improvement in Turkish sanitary conditions and the successful draining of the Angora marshes are outstanding tributes to his ability and energy. His Ministry is easily the most efficient of all the Turkish official Departments. Is chairman of the Administrative Committee of the Turkish Red Crescent. Paid official visits to the United States of America and London in 1929. In October 1931 was Acting Prime Minister during Ismet Pasha's official visit to Athens and Budapest. Was Acting Minister of Finance and of Education in 1933.

Generally known as "Doktor Bey," Refik Bey is rotund and beaming, behind his enormous spectacles, and is universally popular. Not much seen in public, he is particularly found of bridge, at which he is an indifferent player. Speaks fair French. Is unconcerned with politics, and is almost exclusively taken up with his work. Is probably a martinet in his Department. Is now, unfortunately, in poor health.

70. *Reşit Galip Bey.*

Born about 1887 in Rhodes. Studied at the Medical School, Constantinople, and later followed medical courses in France and Switzerland. Joined the Young Turks' movement on his return, and afterwards held numerous posts as an official doctor. Was municipal doctor at Mersin during the French occupation. Has been Deputy for Aydin since January 1925, and from March 1925 till its suppression in March 1927 was a member of the Angora Independence Tribunal. Was understood in 1926 to have insisted on the hanging of Cavit Bey against the opinion of his colleagues. Is a member of the Executive Council of the People's party, and secretary of the Public Health Commission of the Assembly. In August 1930 joined the new Liberal party on its formation, but later declared himself to be an independent, and soon reverted to the People's party. In April 1931 was re-elected for Aydin. In September attended International Conference at Geneva for the Protection of Children. In September 1932 was one of two vice-presidents of First Turkish Linguistic Congress at Constantinople, and shortly afterwards was appointed Minister of Education. Became an ardent champion of the Gazi's historical and linguistic ideas, but was over-zealous in reform of Stambul University, incurring enmity by wholesale dismissal of professors. Incurred also jealousy of the Gazi himself by having himself appointed president of "Institute of the Revolution," and had to resign post of Minister of Education in August 1933, ostensibly on ground of ill-health.

Reşit Galip Bey is of rather a good type, and pleasant in conversation, but is showing signs of coarsening. He is a brother of Hüseyin Ragip Bey, the Turkish Ambassador in Moscow.

71. *Reşit Saffet Bey.*

Born at Constantinople about 1883. Began life as translator in the Tobacco Régie. Later entered the Ministry for Foreign Affairs, and was secretary in the Legations at Bucharest, Washington, Madrid and Tehran. During this period

became a member of the C.U.P. On the outbreak of the revolution of 1908 was appointed Director of the Private Council of the Ministry of Finance, and became secretary to the Minister, Cavit Bey, who, at various times, sent him as propagandist agent to London, Paris, Rome, and, particularly during the Great War, Vienna and Berlin. On the signature of the armistice in 1918 became counsellor of the Turkish Legation at Berne, where he engaged in pan-Islamic agitation and wrote anti-British articles in the local press. On his return to Constantinople in October 1919 opened a branch of the Swiss Society for the Defence of Ottoman Rights, and became one of the directors of pan-Islamic activity. Later he turned to pan-Turanianism, and became one of the most indefatigable discoverers of affinities between the Turkish race and the principal civilised peoples of the world. Worked for the extreme wing of the Nationalist party, but in 1921 lost the favour of Mustafa Kemal for a time. In October 1922 was appointed secretary-general of the Turkish Peace Delegation at Lausanne. In 1925 was adviser to Turkish delegate for the liquidation of the International Board of Health, and showed himself pugnacious and occasionally insolent. Made grave accusations against the British delegate, and was obliged to resign. Elected Deputy for Izmit in September 1927, and member of the Commerce Committee of the Assembly in November. In June 1928 was one of the Turkish delegates to the International Inter-Parliamentary Congress at Paris, and visited Russia in 1929, returning much impressed by his experiences. In October 1930 he went as member of the Turkish delegation to the Balkan Congress at Athens, and in January 1931 to the Balkan Conference at Salonica. Is president of the Turkish Touring Club, in which capacity he has done much to secure the abolition of some of the more troublesome restrictions on the movement of foreigners, and, since November 1930, a member of the Finance Commission of the Assembly. In the autumn of 1931 represented Turkey at Orientalists' Congress at Leyden, and Parliamentary Congress at Bucharest, and was one of the Turkish delegates at the Second Balkan Conference, held in Constantinople. Elected member of Accounts Committee of Assembly in November 1932. Represented Turkey at International Touristic Congress at Cairo in February 1933, and was a delegate to Fourth Balkan Conference at Salonica in November.

Reşit Saffet Bey speaks French and understands German. Is well versed in finance and very ambitious. Has been described as a man of no character, and is not above making improper advances, when under the influence of liquor, to distinguished female visitors.

72. *Rusen Esref Bey.*

Born in 1893 at Constantinople. Before the war taught in the English boys' school in Constantinople. Was associated with Mustafa Kemal from the inception of the Nationalist movement, and was a member of the first Angora Assembly. Has been a Deputy for Afyon Karahisar since 1923. Has never occupied any prominent official position, but has for some years been one of the Gazi's most intimate friends. 1925–27, was secretary of the Assembly Foreign Affairs Commission, and for the last four years has been the chief secretary of the Assembly. In the summer of 1927 he represented the Turkish press at an international congress in London, whence he returned deeply impressed by English education, industry and culture. In June 1928 was a delegate to the International Parliamentary Congress in Paris, and on his return took a prominent part in the campaign for the reform of the alphabet. Was one of the Turkish delegates at the Balkan Congress at Athens in October 1930, and secretary of the Balkan Conference at Constantinople a year later. Took prominent part in organisation of First Turkish Linguistic Congress at Constantinople in September 1933. Member of Turkish delegation to Third Balkan Conference at Bucharest in October 1932. Appointed Secretary-General to the Presidency of the Republic October 1933, when he resigned his deputyship.

Rusen Esref Bey is an attractive personality. He is cultured and speaks remarkably well. Has read extensively and is extremely intelligent, but is probably constitutionally lazy, and, though fond of writing and gifted with great fluency, tends to work in spurts. Has lately been engaged on translating standard Western authors. While accused by some of insincerity, he is excellent company, is very fond of bridge, and has a pleasant wife, whose comparative good looks and other attractions place her in the forefront of the ladies in Angora society.

73. *Sabri Bey, Mehmet.*

Born about 1883. Before the war was a small post office employee. During the war was secretary-general of the Committee of Union and Progress, and for his activities in this connexion was deported to Malta in 1919. He returned, and became in 1922 Director of Posts and Telegraphs at Angora, and went to Germany, where he studied wireless. In July 1923 elected Deputy for Saruhan (Manisa), and in August became first Vice-President of the Assembly. In March 1925 became Minister for Agriculture. He was re-elected Deputy in September 1927, but ceased to hold office in November on the suppression of the Ministry of Agriculture as a separate department. In the same month he became a member of the Assembly Budget Commission, and in November 1929 chairman of the Assembly Accounts Commission. In February 1929 was appointed Minister at Bucharest, but resigned in 1930 in order to become a Deputy again. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930, and next month was elected member of the Foreign Affairs Commission of the Assembly. Was a member of the Turkish delegation at the Second Balkan Conference held at Constantinople in October 1931.

Sabri Bey has a rough but genial manner. He has great ideas about developing agriculture in Turkey. In November 1925, during a visit to Moscow, he gave evidence of strong pro-Russian sentiments.

74. *Saffet (Ziya) Bey.*

Born about 1885. A former staff colonel. Was on the staff of Izzet Pasha in the Yemen in 1912. During the war served at Gallipoli and in Mesopotamia. In 1920 was military attaché at Moscow. In July 1923 elected Deputy for Izmit. From March 1925 until March 1931 was secretary-general of the People's party, and as such exercised much power and influence. He had complete control over the party, and was responsible for the arrangements for the complete success of the Kemalist nominees in the general election of September 1927, he himself being returned for Erzincan. In November 1927 he became president of the Foreign Affairs Commission of the Assembly, and in the same month he headed a Turkish mission to Moscow for the celebrations in connexion with the tenth anniversary of the Soviet revolution. From there went on to Paris and London. In the autumn of 1930 and winter of 1931 was busily engaged in reorganising the Popular party. Appointed head of Department in Council of State in 1931. Elected secretary of the National Defence Committee of the Grand National Assembly in November 1933.

Saffet Bey is probably a dönme (Islamised Jew), and is extremely capable, but is possibly just as untrustworthy. He is, however, friendly and sociable and a good bridge player. He is a close friend of the Gazi, but is less prominent since he ceased to be secretary-general of the party.

75. *Salih Bey.*

Born in 1881. Passed through the military school and was a great friend of Mustafa Kemal, both then and after. Was with him at Tripoli in 1911. Joined the Nationalist movement at the outset and became chief A.D.C. to the President. In 1923 was elected Deputy for Yozgat, and continued to be one of the Gazi's boon companions. In 1926 began to show nervousness regarding the future. In March 1927 was involved in a brawl with Kilic Ali Bey, arising out of baksheesh for Swedish railway concession, and was shot in the leg. By this time his influence was on the wane. In June he suddenly returned to favour and was in close attendance on the Gazi at Constantinople during the summer, as also during the summer of 1928. Re-elected Deputy for Yozgat in September 1927, and since November of that year has been a member of the National Defence Commission of the Assembly. In April 1931 elected Deputy for Ertugrul (Bilecik).

Salih Bey speaks only Turkish, but is pleasant to talk to. Is a hard drinker.

76. *Suat Bey.*

Born in 1878. Studied law in Paris, and in 1912 became secretary at the Sublime Porte. Was a protégé of Talat Pasha, and quickly became head of the Consular and Commercial Department. During the armistice was Director-General of Administration at the Porte, but resigned on the fall of Ferit Pasha.

In 1923 became Under-Secretary for Foreign Affairs at Angora, and in 1924 representative at Rome. Appointed Ambassador there in April 1925, and was always on good terms with His Majesty's Ambassador. Transferred to Paris in May 1932.

Suat Bey has at Angora the reputation of being a somewhat aggressive and tiresome person to deal with.

77. *Sakir Bey.*

Born at Veles (Macedonia) about 1882. Educated at Constantinople, and early entered the service of the Ministry of Interior. Was for a time secretary of the Adrianople Vilayet and later became Kaimakam of Ardahan. Became Deputy for Gallipoli in 1920, and throughout the armistice was one of the moving spirits of the Kemalist movement in Thrace. In 1921 was the unofficial Kemalist agent in Sofia, but continued to devote most of his attention to the Thracian movement. In October 1922 he was appointed Vali of Adrianople and established the Kemalist Administration there. Early in the following year he transferred his activities to Constantinople, of which he was for a time Vali. Has been Deputy for Adrianople since 1923, and for the last three years chairman of the Budget Committee of the Assembly. He is also a member of the executive bureau of the People's party. In May 1929 became Minister of National Economy, but lost the appointment on the re-formation of Ismet Pasha's Cabinet in September 1930. Elected president of the Economic Committee of the Grand National Assembly in November 1932.

Sakir Bey is a man of wide education, speaks several European languages and has travelled much in Europe. He has some reputation as an administrator, and for the last few years has taken a prominent part in Turkish financial and economic matters, being connected with the Alpullu sugar refinery.

78. *Sevki Bey, Ali.*

Born in Constantinople about 1884, the son of a major-domo of Tevfik Pasha, who saw to the education of his retainer's son at the Galata Saray College, and in 1905 secured him a post in the Foreign Ministry. Accompanied Tevfik Pasha on a mission to Vienna, Berlin and St. Petersburg in 1909. Returned to the Ministry and in 1914 became private secretary to the Minister for Foreign Affairs, holding this post throughout the war. Accompanied Tevfik Pasha to the Paris Peace Conference in 1920 and was later in the year appointed Minister at Stockholm. In 1922 was Under-Secretary for Foreign Affairs under Izzet Pasha in the last Constantinople Government till the collapse of the latter in November. Angora having need of his services, he was summoned to the capital; in 1925 was head of the Commercial Section of the Foreign Ministry, and in August 1926 became Under-Secretary, holding this post till September 1927, when he was elected Deputy for Tokat. In November he became a member of the Budget Commission of the Assembly. For the last few years he has been chief Turkish delegate for the negotiation of commercial and consular conventions with foreign States. Was not re-elected Deputy in the general election of April 1931, and was soon after appointed chief Turkish delegate on the Græco-Turkish Mixed Exchange Commission. Appointed Minister at Madrid in January 1933.

As his record shows, Sevki Bey owes everything to his venerable patron, Tevfik Pasha. He is short and uninspiring, but has a certain capacity. Became much more expansive and affable after his election as a Deputy. Enjoys imperfect health.

79. *Sevki Bey, Mehmet Ali.*

A grandson of Gazi Muktar Pasha, who was Turkish High Commissioner in Egypt before the war. Served in the Turkish Embassy in London, as secretary and counsellor, for about eleven years. In December 1930 was transferred to Angora as Director of the Second Section of the First Department which dealt with British Empire affairs. Went to Cairo as Chargé d'Affaires in 1931, and appointed Minister there in January 1933.

Sevki Bey, though still in the prime of life, is a pasha of the old régime, having been raised to that dignity at an early age by the Sultan, in order to console him for the breaking off of his engagement to a Turkish princess. He is, however, no longer officially a pasha, that title being now reserved to generals. Is fair

and English looking, has good manners and speaks English exceedingly well. Is unmarried and of a retiring disposition, but was much liked in London. Plays golf, and is generally very English in his tastes and general outlook.

80. *Şükrü Bey, Saracoğlu.*

Born about 1885. Nothing known of his early history. Since July 1923 has been a Deputy for Smyrna. December 1923 became president of Foreign Affairs Commission of Assembly. November 1924 to March 1925 was Minister of Public Instruction in Fethi Bey's Cabinet. In July 1925 became chief Turkish delegate on the Commission for the Exchange of Populations. In this capacity visited Geneva in December 1926, and in the same month signed the Turco-Greek Convention. In May 1927 he was given charge of negotiations for purchase of Anatolian Railway, which was concluded in December 1928, and in November, when Ismet Pasha reconstructed his Cabinet, he became Minister of Finance. As such he was intimately concerned in the Ottoman Public Debt settlement of 1928. In 1930 he came in for much criticism in connexion with the Turkish financial crisis, and one of Fethi Bey's principal objects in founding the new Liberal party was to get rid of him as Minister of Finance. In this he failed, but Sükrü Bey resigned in December on account of ill-health. In October 1931 was sent on a special mission to the United States of America ostensibly to get into touch with American business circles, but really in the hope of obtaining American financial co-operation in Turkish public works. Early in 1932 resumed in Paris negotiations with bondholders in consequence of Turkey's inability to continue payments agreed on in 1928, and in April 1933 signed a new agreement more favourable to Turkey. Appointed Minister of Justice in May.

Şükrü Bey is delicate in appearance, and is probably a Moderate. Is believed to be very capable, has plenty of drive, is popular and was on excellent terms with his Greek opposite number in exchange matters. He has acted as Minister for Foreign Affairs during one of Tevfik Rüştü Bey's numerous absences abroad.

81. *Şükrü Kaya Bey.*

Born about 1884 at Kos, where he still owns property. Before the war was an official of the Ministry of Justice, and in 1914, as a civil inspector, accompanied the Embassies' delegates who enquired into the Greek deportations around Smyrna. Was then of advanced ideas and a protégé of Talat Pasha. Was deported to Malta in the early armistice, and on his liberation identified himself with Mustafa Kemal. Was a member of the Turkish delegation to the first Lausanne Conference. Mayor of Smyrna in 1923, when he was a failure. In July 1923 elected Deputy for Mentese, which he still represents. In March 1924 charged with deposit of the ratification of the Lausanne Treaty, and went to Paris and Berne. In the same month became president of the Foreign Affairs Commission of the Assembly. In August became Minister of Agriculture, and in November Minister for Foreign Affairs. Resigned in March 1925 and was reappointed president of the Foreign Affairs Commission of the Assembly, holding this post till the autumn of 1927. During this period he exercised considerable influence over Turkish foreign policy. In November 1927, on the reconstruction of Ismet Pasha's Cabinet, he became Minister of Interior, and quickly effected drastic administrative changes, more particularly in the eastern provinces, where he caused the military régime to be suppressed in December. Was Acting Minister for Foreign Affairs in September–October 1930, during Tevfik Rüştü Bey's numerous visits to foreign countries from 1930 onwards.

Sükrü Bey is a coarse but vigorous personality, and is by no means unintelligent. Not too well liked by other leading Turks, who regard him as a poseur. Is a hard drinker and an intimate counsellor of the Gazi. Has a wife, who speaks only Turkish and is seldom seen, and several young children.

82. *Şükrü Nayli Pasha.*

Early history unknown. Elected Deputy for Kirklareli (Kirk Kilise) in 1923. In October of that year was in command of the Turkish troops which entered Constantinople after the Allied evacuation, and has ever since been in command of the IIIrd Army Corps stationed at Constantinople. In October 1924 resigned his deputyship on opting for military duties. Promoted Divisional

General in August 1926. Is in command of all the military schools in the Constantinople district.

An intelligent and up-to-date soldier, with pleasant manners and a European outlook.

83. *Tevfik Bey, Colonel.*

Born about 1880. Mother a Bagdadi, father a Turk. Left the military school in 1908 and, in view of his marked intelligence, proceeded direct to the Staff College, whence he graduated in 1912. In 1914 he was appointed to the staff of the 19th Division, where he served under Mustafa Kemal. Later, he served in the Caucasus, and was on the staff of Ismet Pasha in Palestine. Joined the Nationalist movement at the beginning, and was appointed to the General Staff of the Ministry of National Defence, with rank of colonel. Was Turkish military adviser at the Lausanne Conference 1922–23. In June 1924 became secretary to the President of the Republic, and held this post till November 1927 in spite of Ismet Pasha's efforts to appoint him to various missions abroad. He represented Turkey at the Arms Traffic Conference at Geneva in the early summer of 1925. In November 1927 was appointed Ambassador in Moscow, but only remained there till May 1928, when he was at Angora in attendance on the King of Afghanistan, whom he accompanied to Tehran. He there signed the Turco-Persian Neutrality Protocol, and on his return resumed his duties as private secretary to the President, who refused to be without him. In November 1930 he was a member of the Turkish delegation at the Geneva Preparatory Disarmament Conference, and again in February 1932. Suddenly fell from favour in March after mysterious quarrel with the Gazi, and has since been living in disgrace at Constantinople.

Tevfik Bey is tall, fat and pleasant, and was, until his fall, completely identified with Mustafa Kemal. He speaks German, Russian and French. Always affable, his relations with the British delegates at Lausanne were very cordial. He is married.

84. *Terfik Kâmil Bey.*

Born in 1889 at Salonica and educated there. A career diplomat. Studied law in Paris until 1911, and entered diplomacy after teaching for some time at Stambul University. He was second secretary to the Turkish delegation at the Second Lausanne Conference in 1923, and on his return to Angora became Under-Secretary for Foreign Affairs. As such he was charged with the negotiations of friendship treaties with several foreign countries, and gradually exercised increasing influence. Resigned in October 1925 on his election as Deputy for Constantinople. In 1926 he became a member of the Foreign Affairs Commission of the Assembly, and by his expert knowledge made his influence felt. In 1927 he was responsible for the drafting of a new and very important law on Turkish nationality. Represented Turkey at an International Cattle Plague Conference at Adana in November 1927. Elected one of the quæstors of the Assembly a year later. Soon afterwards succeeded Cemal Hüsnü Bey as chief Turkish delegate on the Mixed Exchange Commission, where he was a great improvement on his predecessor. Is a hard worker, and a tower of strength to the Foreign Ministry, with which he is always in close contact. In April 1931 was appointed Minister at Sofia, where, according to the Turkish press, he has been active in prosecuting local Turkish journalists for anti-Kemalist publications. In October 1933 he confided to His Majesty's Minister that he was practically in exile at Sofia, and that he was thoroughly disgusted with Mustafa Kemal and his régime.

Tevfik Kâmil Bey is without doubt very capable. He is, however, shy and reserved, but when better known is pleasant in conversation and ready freely to express his views on questions which interest him. He is married.

85. *Terfik Rüştü Bey.*

Born about 1885. Doctor in the sanitary service. In 1909 was secretary-general of the Committee of Union and Progress Congress then held. Served as a doctor during the Balkan War, and was made prisoner by the Serbs. In 1920 was a member of a mission to Russia, and later, during the Nationalist movement, was the director of an Angora newspaper. Elected Deputy for Smyrna in July

1923, was secretary of the Foreign Affairs Commission which considered the Lausanne Treaty. Later in the year was appointed president of the Turkish Commission for the Exchange of Populations, and early incurred criticism because of his alleged failure adequately to protect Turkish interests. Resigned in September 1924 over the "établis" issue, but subsequently withdrew his resignation and resumed negotiations for the conclusion of a Turco-Greek agreement. In March 1925 became Minister for Foreign Affairs. Proceeded to Europe on various missions, particularly in connexion with the Mosul question, and signed the Angora Treaty in June 1926. During the summer of 1926 his position was weakened owing to his relationship (brother-in-law) with the late Dr. Nazim, whose death sentence he endeavoured to have commuted, but this effect was apparently only temporary, and he again seemed fairly established when he met M. Chicherin at Odessa in November. During the following months rumours of his impending resignation were current, but these proved unfounded, and he retained his portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In March 1928 attended the Preparatory Disarmament Conference at Geneva, and during the year his position seemed to become steadily stronger. In September 1930 paid an official visit to Moscow. In November headed the Turkish delegation to the Preparatory Disarmament Conference at Geneva, and in December visited Signor Mussolini at Rome and was received by the King. Was the moving spirit on the Turkish side in the Græco-Turkish rapprochement which led to M. Veniselos's visit to Angora in October 1930, when the treaties were signed, and his own and the Prime Minister's return visit to Athens in October 1931. In January 1932 went to Tehran to sign frontier agreement, and in February led Turkish delegation to Disarmament Conference at Geneva. Was elected vice-president of Naval Commission of conference. In April and May paid official visits to Moscow and Rome with Ismet Pasha. Again led Turkish delegation to Disarmament Conference in January and April 1913, and to Economic Conference at London in June.

Tevfik Rüştü Bey is dishevelled in appearance and veils his features behind monumental dark glasses. He is so volatile and voluble that he appears inane. His real influence on Turkish foreign policy is difficult to determine, though his subservience to Ismet Pasha in public lends colour to the theory that he is content for the most part to take his orders from his superiors. Has an unattractive wife, who has succeeded in learning a little French, and a pleasant, though very strictly brought-up, daughter, who has recently been married to a junior member of her father's Ministry.

86. *Vasif Bey.*

Born in Smyrna about 1885, of Kurdish parents who had been forcibly transported from Eastern Anatolia. In 1923 became Deputy for Saruhan and Public Prosecutor of Independence Tribunal sent to Constantinople. In March 1924 became Minister of Public Instruction, resigning in November. June 1925 Minister at Prague and, November 1927, at Budapest. In November 1928 became Ambassador in Moscow, but in January 1929 was elected Deputy for Smyrna and resigned his post. In February became Minister of Public Instruction for the second time, but resigned in April. Represented Turkey at the International Parliamentary Conference at Berlin in August. Was a member of the Foreign Affairs Commission and one of the Vice-Presidents of the Assembly. Suddenly appointed Ambassador at Rome, to his great joy, in May 1932, when he resigned his deputyship.

Vasif Bey is tall and heavy in appearance. Is loud and genial, and something of a bully on occasion. Has shown conspicuous friendliness to His Majesty's Embassy, and is reputed to be the leader of the Anglophil camp. Was one of the Gazi's boon companions until his appointment to Rome, but Mustafa Kemal's treatment of him at a public function at Angora in December 1933 seemed to indicate that he was no longer a favourite.

87. *Yunus Nadi Bey.*

Born in 1878. Educated in Rhodes. Became a protégé of Abdin Pasha Dino, who put him in charge of his farms, but dismissed him after two years because of abuses. Emerged from obscurity in 1908 and became one of the Committee of Union and Progress members for Smyrna in the Chamber of Deputies. In 1911 became editor of the Committee of Union and Progress *Tasviri Efkâr*,

and in 1916 started the *Yeni Gün*. In 1908 received £T. 30,000 from the secret Committee of Union and Progress funds. Was imprisoned soon after the armistice, but was soon released, and published attacks on the Allies in his newspaper. On occupation of Constantinople in March 1920 he escaped to Angora, having for some time previously been in touch with Mustafa Kemal. Began publishing his paper there, and became Deputy for Smyrna. In February 1921 was a member of the Angora peace delegation to Rome, Paris and London. In the autumn he fell foul of Mustafa Kemal because of his sympathy with Enver, but in 1922 was received back into the fold, and for some time was president of the Foreign Affairs Commission. Throughout this period he wrote many Russophil articles, and was a bitter Anglophobe. Has been Deputy for Menteş since 1923. In 1924 started the *Cümhuriyet* in Constantinople, and soon after the *Yeni Gün* ceased publication. Since 1923 has been president of the Constitution Commission of the Assembly, and, 1926–27, was also a member of the Foreign Affairs Commission. In 1927–28 took the leading part in an enquiry into the peculations of the former Ministers of Marine and Commerce—a curious selection. Spent the summer of 1928 in Russia and Germany, and, on his return, markedly displayed his Russophil sentiments. In November became member of executive bureau of Popular party. In 1929 again visited Germany several times. During the summer of 1931 engaged in the scurrilous press controversy with journalists of the Opposition, which led to the stringent press law of the 24th July, directed against the latter. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens in October. In December 1931 became chairman of the board of directors of notorious drug factory at Constantinople, since suppressed as part of anti-narcotic campaign instituted by the Gazi, with whom he seems to have lost influence.

Yunus Nadi Bey is short and stout and wears pince-nez. He is intelligent and Turkey's best leader-writer, but is ready to tack to any wind; is an excessive drinker and an unscrupulous scoundrel, whose general behaviour disgusts even the Turks.

88. *Yusuf Bey, Akçura (Oğlu).*

Born about 1870 at Simbirsk in the Kazan Tartar region. Emigrated as a child to Turkey, where he received his early education. While still a youth was banished to Tripoli, whence he made his escape with Ferit Bey (*q.v.*) to Tunis and France. Studied in Paris, and, on returning to Turkey, worked as a journalist, and was in close touch with Enver. Was a sedentary worker during the Turkish War of Independence. Elected Deputy for Constantinople in 1923 and again in 1927, when he also became member of the Constitutional Commission of the Assembly. Was about that time a leading member of a group of *intelligentsia*, which it was thought might crystallise into an Opposition. Though he did not join Fethi Bey's Liberal party in 1930, there are indications that his critical attitude towards Government policy persisted unchanged. Elected member of the Economic Commission of the Assembly in November 1930. He was closely connected with the development of the Turkish Ojak movement, and is a leading authority on pan-Turanianism and the Turkish communities outside Turkey. Re-elected Deputy for Constantinople in April 1931.

Yusuf Bey has at least once visited London, and is married to a sister of a former Turkish Ambassador there (see under "Ferit Bey" above). Is a man of considerable culture and some distinction of personality.

89. *Yusuf Kemal Bey.*

Born in 1878 at Sinop. Entered the military school, but transferred in 1901 to the school of law, from which he graduated in 1905. Practised in Constantinople and was for a short time Deputy for Kastamoni, but in 1909 joined the Opposition. In 1910 resigned his seat and spent the following two years in Paris studying law. Throughout the war practised as a barrister in Constantinople. October to December 1919 was Under-Secretary for Justice, and on being sent on a mission of reconciliation to Anatolia, was won over to the Nationalist cause and did not return to Constantinople. Became Minister of Economics early in 1920. In 1920–21 proceeded on mission to Moscow and Tiflis and attended the Baku Congress. Became Minister for Foreign Affairs in May 1921, and throughout his tenure of office was in close touch with Moscow. Proceeded to Paris and London as head of the Angora peace delegation in March

1922. Resigned in October, nominally on grounds of ill-health. In July 1923 was elected Deputy for Sinop, and in the following month was president of the Foreign Affairs Commission, which examined the Lausanne Treaty. In January 1924 became Turkish Ambassador in London, but resigned in May on opting for his deputyship. In November was a rival candidate to Kâzim Pasha for the presidency for the Assembly, but was defeated, and for a time took no prominent part in political life, being understood to be out of sympathy with the President of the Republic. From 1925–27 he was, however, reporter of the Justice Commission of the Assembly, and in 1927 accompanied the Minister of Justice to The Hague in connexion with the "Lotus" affair. He was re-elected Deputy in September and is now a member of the Economic Commission of the Assembly. In September 1930 became Minister of Justice in Ismet Pasha's new Cabinet, and again in May 1931. Resigned office in May 1933, ostensibly for reasons of health but really, according to rumour, owing to dissatisfaction at non-removal of Court of Appeal from Eskişehir to Angora.

Yusuf Kemal Bey is a good speaker and nourishes Bolshevik sympathies, but only in so far as these do not clash with his ideals of Turkish nationalism.

90. *Zekâi (Salih) Bey.*

Born in Bosnia in 1878. A graduate of the Mülkiye School and became kaïmakam and mutessarif. Was Deputy for Adana in the first Angora Assembly, and in 1921 was a member of Bekir Sami Bey's peace delegation to London. In the following year Turkish economic expert at the Lausanne Conference. Was a member of the Independence Tribunal.

Elected Deputy for Aydin in July 1923, he became Minister for Agriculture in March 1924. In September was appointed Ambassador to London, but was recalled early in 1925 owing to his having, on his own account, proposed a direct deal over Mosul, which he was instructed by Angora to withdraw. In May was appointed Ambassador at Moscow, and in November 1926 was present at Odessa at the interview between M. Chicherin and the Turkish Minister for Foreign Affairs. Resigned in September 1927 on his election—possibly not of his own volition—as Deputy for Diyarbekir. A member of the Foreign Affairs Commission of the Assembly. In 1929, when all Powers were obliged by the denunciation of the Commercial Treaty of Lausanne to negotiate fresh treaties, was appointed chief of the delegation for the negotiation of commercial treaties. Appointed Minister of Public Works in Ismet Pasha's new Cabinet, September 1930, and Minister of National Defence in December 1930 and again in May 1931.

Zekâi Bey carries under a mop of grey hair a perpetual expression of puzzled benignity. He is an industrious worker and a good chief, but of so narrow an outlook as to drive his subordinates to the verge of despair. He has been reported as being anti-British in sympathy in the past, and when in London alienated Turkish sympathisers by his lack of courtesy towards them. During the negotiation of the Anglo-Turkish Commercial Treaty he was, though slow in the uptake, friendly and helpful in finding the way of compromise. Is no conversationalist.

91. *Zeki Mesut Bey.*

Born at Aydin in 1889. Graduated from the Constantinople Mülkiye (Civil) College in 1910. Was employed in various financial capacities and twice went to Europe as a student inspector. In 1926 became member of the Council of Education, and in 1927 director of the Mülkiye College. In September of that year was elected Deputy for Adrianople, and in November secretary of the Foreign Affairs Commission of the Assembly, of which commission he is still a member. In 1929 took an increasingly prominent part in the discussion of foreign affairs, on which subject he contributed numerous articles to the semi-official press. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930. Elected Deputy for Diyarbekir in April 1931.

Zeki Mesut Bey wears behind his glasses the strained expression of a short-sighted man who refuses to wear any. He is friendly, but not unduly communicative. He speaks good French.

[E 260/260/44] No. 4.

Mr. Morgan to Sir John Simon.—(*Received January* 11.)

(No. 3. Confidential.)

Sir, *Angora, January* 1, 1934.

WITH reference to my despatch No. 430 of the 31st December, 1932, I have the honour to transmit herewith the annual report on the heads of missions in Turkey in 1933.

2 The passages enclosed in brackets have been taken from previous reports.

I have, &c.

JAMES MORGAN.

Enclosure in No. 4.

Reports on Heads of Foreign Missions.

AMBASSADORS.

Russia.

(M. JACQUES SOURITZ, fully accredited Ambassador, presented his credentials on the 13th June, 1923. As soon as the reopening of diplomatic relations with His Majesty's Government was practically assured, M. Souritz made a point of showing his desire for renewing our personal relations, a desire to which I have willingly responded, for he is intelligent, his inner knowledge of the Turkish Government is probably better than that of any other diplomatist here, and it is always possible to discuss with him the questions dividing our two countries in an objective and reasonable manner.

As doyen of the Diplomatic Corps, M. Souritz is not altogether satisfactory, for his Government's desire to pose as Turkey's first and special friend precludes him from joining the other heads of missions in offering any unwelcome representations to the Turkish Government.

M. Souritz is married to a pleasant Russian *bourgeoise*, who has little or no bolshevism in her composition. 1929.)

Afghanistan.

(Sultan Ahmad Khan, fully accredited Ambassador, presented his credentials on the 28th March, 1931. He is short and somewhat ape-like in appearance, with a fixed grin revealing numerous gold teeth, speaks fair English, and shows himself very friendly to all and sundry.

Sultan Ahmad Khan is married, but his wife very seldom appears in non-Moslem society, and possesses no language but her own, though she is said to be learning French. 1932.)

Persia.

(Mirza Sadik Khan Sadiki, formerly known as Musteshar-ed-Dowleh, fully accredited Ambassador, presented his credentials on the 28th March, 1931. He is a retiring but pleasant colleague, speaks French and Turkish, and possesses a dignity of manner in inverse ratio to his minute proportions.

He lost no time in moving into the colossal new Embassy building, which still lacks the road of approach long since promised by the Turkish Government and has the distinction of being the largest and ugliest diplomatic house in Angora. 1931.)

His wife knows no European language, but his three plain daughters speak some French and are also learning English.

Italy.

(Signor Vincenzo Lojacono, fully accredited Ambassador, presented his credentials on the 25th October, 1932. He is a Sicilian, and is understood to have been closely associated with Signor Mussolini from the early days of the Fascist movement. His manner is evidently modelled on that of the Duce, whom he somewhat resembles in face and figure. Both he and his wife are simple and

domestic in their tastes, and seem to be mainly interested in their three young children. 1932.)

Signor Lojacono and his wife have become much liked. They are hospitable despite the limitations of their small house at Angora, and entertain in a pleasant and friendly manner.

Poland.

Count George Potocki, fully accredited Ambassador, presented his credentials on the 14th June, 1933. He is boyish in appearance, and informal and friendly in manner. His charming but delicate wife is of Spanish Basque origin. Both are fond of sport, and keep up the hospitable traditions of their Embassy.

United States of America.

Mr. Robert P. Skinner, fully accredited Ambassador, presented his credentials on the 16th October, 1933. He began life as a newspaper publisher and editor, entered the United States foreign service some thirty-six years ago, and last represented his country in the Baltic States. He is represented in previous reports on heads of missions as being anti-British, but has as yet done nothing to confirm this. As he has remained at Constantinople practically ever since his arrival in this country, I have had no opportunity of forming an estimate of his character or ability.

Japan.

Viscount Kintomo Mushakoji, fully accredited Ambassador, presented his credentials on the 16th October, 1933. He belongs to an old Court family, entered the service in 1906, and came to Turkey from Stockholm. He took an early opportunity of inviting the staff of His Majesty's Embassy to lunch with him and his staff, and appears to be anxious to cultivate friendly relations. He speaks good English, and is unmarried.

France.

M. Frédéric Albert Kammerer, fully accredited Ambassador, presented his credentials on the 17th October, 1933. He belonged originally to the consular service, and had a distinguished career in the Far East. His last post was that of Ambassador at Rio de Janeiro. In appearance he is small and unimposing, and as he has been either in Constantinople or on leave since his arrival, apart from a flying visit to the capital, I have not been in a position to cultivate his acquaintance.

Germany.

Herr F. H. von Rosenberg, fully accredited Ambassador, presented his credentials on the 11th December, 1933. His last post was Stockholm. He had an English mother and speaks English extremely well, as does his wife. Both are very friendly and form a pleasant addition to Angora society. They have an attractive daughter who is about to return to Germany to resume her legal studies.

Ministers.

Switzerland.

(M. Henri Martin has been raised to the rank of Minister, and presented his credentials on the 11th November, 1928.

While in Angora M. Martin is invaluable for obtaining information on points of detail, and prides himself on the number of despatches which he writes to Berne. At Constantinople he is driven to circularise his colleagues; while on leave he breeds dogs in England. M. Martin would like to be taken for an Englishman. 1928.)

Roumania.

(M. P. Carp, fully accredited Minister, presented his credentials on the 29th May, 1930, and again on the 16th October, in consequence of the proclamation of Prince Carol as King of Roumania.

A friendly and insignificant-looking little man. His wife speaks fluent English, and is distinguished by a somewhat overwhelming affability and an inconvenient ardour for tennis. 1930.)

M. Carp has been appointed to Lisbon, and will shortly be leaving Angora.

Egypt.

(Abdel Malek Hamza Bey, fully accredited Minister, presented his credentials on the 8th October, 1930. He was counsellor of the Egyptian Legation in London in 1929, and has been described by His Majesty's High Commissioner at Cairo as a leading lawyer and a clever and active young man, who, from extreme nationalism, has been converted to reasonable views, largely by contact with English people. He is extremely friendly, and speaks quite good English, but very little Turkish. Is apparently unmarried. 1930.)

(Hamza Bey acquired very unwelcome notoriety in consequence of the Gazi's ordering him to remove his fez, which formed part of his uniform, after the official banquet on the evening of the 29th October, the Feast of the Republic. He naturally reported the incident to his Government, which sent the Turks a mildly-worded note asking for guarantees for the future. This raised a storm of Turkish denial and indignation, both official and journalistic, and the unoffending, unassuming and much-liked Minister is now under a cloud, and much upset by it all. 1932.) Although the incident was officially "closed" early in 1933, Hamza Bey has been very little in Angora since it occurred, and has been living in Constantinople when not on leave.

Norway.

(M. Sigurd Bentzon, fully accredited Minister, presented his letters of credence on the 8th October, 1930, the first Norwegian Minister to be accredited to Turkey. He is tall and distinguished looking, speaks perfect English, and has a charming and vivacious English wife, who more than holds her own with the younger women of the Diplomatic Corps, both for looks and general attractiveness. 1931.)

Denmark.

(M. Peter Christian Schou, fully accredited Minister, presented his letters of credence on the 4th May, 1931.

Both he and his wife are pleasant and speak English well, but they only come to Angora, where they have no Legation, on very special occasions. 1932.)

M. Schou is being transferred to Warsaw.

Brazil.

(M. D. de Pimentel Brandao, fully accredited Minister, presented his letters of credence on the 5th July, 1931, the first Brazilian representative to be accredited to Turkey. He speaks excellent French, having been *en poste* in Paris for years, and is pleasant company, though shy as he himself confesses. 1931.)

Finland.

(M. Pontus Artti, fully accredited Minister, presented his credentials on the 12th November, 1931. He is the first Finnish representative to be accredited to Turkey. 1931.)

(M. Artti is almost quite unknown in this country, which he has not revisited since. He is also Minister in Rome. 1932.)

M. Pontus Artti spent some time in Angora, for commercial negotiations, in the autumn of 1933, when he became known in Turkey for the first time and made a favourable impression. He is friendly, speaks English, and is appreciative of any little attention.

Sweden.

(M. Erik Boheman, fully accredited Minister, presented his credentials on the 30th November, 1931. He left Angora a few days afterwards for Geneva, where he is to represent his Government on the Disarmament Conference, and it seems probable that the extremely uncomfortable house leased, but never inhabited, by his predecessor in the former city will conduce to extensive periods of sojourn in the latter.

Though still in the thirties, M. Boheman has already had a brilliant career in the Swedish Foreign Office, where he became head of the Political Department in 1928. 1931.)

(M. Boheman has now a pretty and charming young Swedish wife. Both speak excellent English, and are deservedly popular. 1932.)

Iraq.

(His Royal Highness the Emir Zeid, fully accredited Minister, presented his credentials on the 12th March, 1932. Son of the late King Hussein of the Hejaz, and brother of King Feisal of Iraq, the Emir Zeid is chiefly characterised by a complete absence of "side." He is still in the early thirties, short, swarthy, and somewhat insignificant in appearance, shy by nature, but pleasant and frank on further acquaintance. Studied agriculture for three years at Oxford, and speaks English well, also Turkish (perfectly) and French. Is unmarried. 1932.)

The Emir Zeid has been under a cloud since September 1933 on account of his having facilitated the marriage of his former first secretary, Ata Emin Bey, with an aunt of King Ghazi, who took strong exception to the marriage and forced the parties to divorce. His Royal Highness has been in Athens, nominally in connexion with an inheritance, since incurring his nephew's displeasure, and it is understood that his transfer to Cairo is contemplated.

Belgium.

(M. Georges de Raymond, fully accredited Minister, presented his credentials on the 20th March, 1932. He is married, but is unaccompanied by his wife, who is understood to be a chronic invalid.

M. de Raymond is pleasant and easy to get on with. 1932.)

Lithuania.

(M. Jurgis Baltrusaitis, fully accredited Minister, presented his credentials on the 20th May, 1932. He left almost immediately, and has not since reappeared in Turkey, where he has no Legation and practically no interest. He is also Lithuanian Minister in Moscow. 1932.)

M. Baltrusaitis came to Turkey from Moscow in 1933 for the celebrations in connexion with the tenth anniversary of the republic. He travelled here with the delegation representing the U.S.S.R. at the celebrations and returned with it. He did not remain long enough at Angora to become generally known, but was communicative and friendly to His Majesty's Embassy.

Yugoslavia.

(M. Miroslav Yankovitch, fully accredited Minister, presented his credentials on the 25th October, 1932. His appearance is distinctly in his favour, and, as his Government has recently acquired a more suitable house in Angora, he is likely to live less in Constantinople than his predecessor. He is married. 1932.)

M. Yankovitch is now definitely established at Angora. He and his Viennese wife are pleasant, and entertain a good deal in spite of rather inadequate accommodation.

Greece.

M. Constantine Sakellaropoulo, fully accredited Minister, presented his credentials on the 14th January, 1933. He was formerly consul-general at Constantinople, and, previously to his present appointment, was in charge of Turkish affairs in the Foreign Ministry at Athens. He is small, reserved, rather deaf and unassuming. It is therefore difficult for him to represent his country so well as his predecessor, the jovial and popular M. Polychroniadis. Both he and his vivacious English-speaking wife are delicate and not much given to entertaining, but can entertain very agreeably when the spirit moves them.

Bulgaria.

M. Nikola Antonoff, fully accredited Minister, presented his credentials on the 15th April, 1933. A journalist by profession, he was until his appointment editor of the *Bulgarie* and Sofia correspondent of *The Times*. He is well-informed and very friendly to His Majesty's Embassy, but has a narrow outlook on world affairs, having a journalistic and partisan rather than a diplomatic and universal point of view. He is liable to become excited when defending his views. At the end of the year he was engaged in a press controversy with the leading Turkish journalist which did nothing to improve Turco-Bulgarian relations. Is married to a somewhat stolid Bulgarian lady.

Albania.

M. Djavid Leskoviku, fully accredited Minister, presented his credentials on the 14th May, 1933. He received a military education in Constantinople, served in the Turkish army during the Balkan War, was Albanian Chief of Staff in 1923, and later military attaché in Belgrade and consul-general at Skoplje. Since his appointment as first Albanian Minister to Turkey, since the Gazi's recognition of King Zog, he has resided for the most part in Constantinople, and has been very little seen in Angora society.

Austria.

M. Karl Buchberger, fully accredited Minister, presented his credentials on the 17th October, 1933. He was previously Chargé d'Affaires at Stockholm. He and his Swedish wife are friendly and already generally liked. Both speak English, Mme. Buchberger less well than her husband.

Mexico.

Señor Genaro Estrada, fully accredited Minister, presented his credentials on the 17th October, 1933. He is also Mexican Ambassador in Madrid, and the first Mexican Minister to be appointed to the Turkish republic. He left the country almost immediately after presenting his credentials, and I had no opportunity of making his acquaintance.

Chargés d'Affaires.

Spain.

Señor Ricardo Begoña y Calderón presented on the 30th May, 1933, the letter nominating him Chargé d'Affaires of Spain in Turkey. He has made an effort to spend more time in Angora than his predecessors, but is a somewhat colourless individual who has made little impression in any milieu in this country.

Czechoslovakia.

The Legation is in charge of Dr. A. Berka, the first secretary, and it is understood that, as the Turks have only a permanent Chargé d'Affaires in Prague, the Czech Government do not intend to appoint a Minister at Angora for the present. Dr. Berka is unmarried and rather lifeless.

Netherlands.

The Legation has been in charge of Baron van Harinxma thoe Slooten, as Chargé d'Affaires, since the 31st March, 1933. Both he and his wife are agreeable and speak English well. They have acquired a residence in Angora close to His Majesty's Embassy. It is understood that, for reasons of economy, the Netherlands Government do not propose to appoint another Minister.

Hungary.

The Legation is in charge of the first secretary M. vitéz Viktor Rényey, pending the arrival of a new Minister who is expected early in the New Year. M. Rényey and his wife are deservedly popular, being among the most agreeable members of the Diplomatic Corps.

Vatican.

(Mgr. Carlo Margotti, titular Archbishop of Mesembria, succeeded Mgr. Rotta as Apostolic Delegate to Turkey in April 1930. He had previously been a member both of the Roman Congregation for the Eastern Churches and of the Papal Commission for Russia.

Unlike his predecessor, Mgr. Margotti has never called upon me, but a member of my staff who has met him reports that he is affable, somewhat boyish in appearance, and creates a favourable general impression. While not officially recognised by the "lay" Turkish Government, he nevertheless enjoys *de facto* diplomatic immunity. 1930.)

(Mgr. Margotti, in response to a hint conveyed by a leading Catholic member of the British colony, called on me during the past year, and enabled me personally to confirm the favourable impression referred to in last year's report. 1931.)

[E 250/250/44] No. 5.

Sir E. Phipps to Sir John Simon.—(*Received January* 11.)

(No. 7. Saving.)
(Telegraphic.) *En clair.* *Berlin, January* 10, 1934.

MR. MORGAN'S despatch No. 433 of 10th November.

Roumanian Minister tells me that he hears from the German Ministry for Foreign Affairs and from the Spanish Ambassador that a treaty was concluded at the end of December between Russia and Turkey guaranteeing the *status quo* in the Black Sea and the Straits.

(Repeated to Moscow and Constantinople (by bag).)

[E 400/400/65] No. 6.

Sir John Simon to Mehmet Munir Bey.

Your Excellency, *Foreign Office, January* 20, 1934.

WHEN your Excellency called here on the 27th December you informed Sir Robert Vansittart that the project for a non-aggression pact between Turkey, Persia, Iraq, the Soviet Union and Afghanistan, to which it was proposed that the United Kingdom should be a party, had recently been revived. You added that the Turkish Government were inclined to view the project with favour, but considered it important for the success of the pact that the United Kingdom should be a party thereto. Before committing themselves further in the matter, therefore, the Turkish Government were anxious to ascertain the attitude of His Majesty's Government towards the scheme.

2. Sir Robert Vansittart then informed you that, although he had already heard of this project, the suggestions had hitherto been of too vague and general a nature for the matter to be submitted to me as a definite proposal. He was therefore unable to say what view I should take of it, or what would be the considered attitude towards it of His Majesty's Government in the United Kingdom. On the other hand, Sir Robert Vansittart's first personal reaction was that there already existed a sufficient number of pacts of this nature to render the conclusion of yet another pact somewhat superfluous. Relations between the United Kingdom and Turkey were so satisfactory that they required no further safeguards. The countries which had been mentioned as possible parties to the pact were either members of the League of Nations, and therefore protected by the Covenant, or signatories of the Kellogg Pact, to which the proposed new pact could add but little. He promised, however, to submit the Turkish Government's enquiry to me immediately on my return from abroad and that the views of His Majesty's Government on the suggestion would be communicated to you in due course.

3. I have the honour to inform your Excellency that, having now given careful consideration to the enquiry which you made on behalf of the Turkish Government, I can only confirm officially the views provisionally expressed to you by Sir Robert Vansittart on the 27th December, as representing the attitude of His Majesty's Government towards the proposed pact. I shall be grateful if you will be so good as to inform the Turkish Government accordingly.

I have, &c.
JOHN SIMON.

[E 589/589/34] No. 7.

Mr. Morgan to Sir John Simon.—(*Received January* 25.)

(No. 22.)
Sir, *Angora, January* 13, 1934.

WITH reference to my despatch No. 411 of the 20th December, 1932, I have the honour to report that the Treaty of Friendship between Turkey and Persia, which was signed at Angora on the 5th November, 1932, was ratified by the Grand National Assembly on the 28th December, 1933.

2. I am sending a copy of this despatch to His Majesty's Minister at Tehran.

I have, &c.
JAMES MORGAN.

[E 789/789/44] No. 8.

Sir John Simon to Sir P. Loraine (Angora).

(No. 44.)
Sir, *Foreign Office, January* 30, 1934.

THE Turkish Ambassador asked to see me to-day and produced a cutting containing an article published in a weekly newspaper called *New Britain* in its issue of the 17th January. The article is headed "Contemporaries—A Great Savage," and deals with the career of the Gazi. Apart from the basic view of Kemal Pasha which is suggested by the title (as to which some very strong language is used), the body of the article is highly flattering to the Gazi's immense achievements as a transformer of old Turkey into a modern State. His Excellency naturally said that such an article would create a very painful impression.

2. I told Munir Bey that I had never heard of *New Britain*, and I did not for a moment believe that it was a paper of any great substance or circulation. But I much regretted that such an article should have appeared even in an obscure sheet. I reminded his Excellency of the freedom which our law gave to the press; the Government had no power to suppress a newspaper or to punish an editor by executive order. The only remedy, ordinarily speaking, was by proceedings for libel, and I doubted very much whether such a remedy would be well advised, since in any case it would give the newspaper the advertisement which it no doubt would like to have. At the same time I promised that the article should be considered in the proper department of the Foreign Office, and that we would communicate with him further. His Excellency said that he had sent the cutting to his Government, and had felt obliged to call the special attention of the appropriate official to it since it referred to the head of the State. He thought his despatch would have reached Angora about to-day.

I am, &c.
JOHN SIMON

[E 809/264/44] No. 9.

Department of Overseas Trade to Foreign Office.—(*Received February* 3.)

THE Comptroller-General of the Department of Overseas Trade presents his compliments to the Under-Secretary of State for Foreign Affairs, and transmits herewith copies of despatches No. 26 and No. 37 from the commercial secretary, Istanbul, dated the 16th and 24th January, 1934, respectively, on the subject of the development of industry in Turkey.

Department of Overseas Trade,
February 2, 1934.

Enclosure 1 in No. 9.

Mr. Woods to Sir John Simon.

(O.T. (B) No. 26/34.)

Sir, *Istanbul, January* 16, 1934.

WITH reference to previous despatches on the development of industry in this country, beginning with my despatch Overseas Trade (B) No. 430/28 of the 22nd September, 1928, containing a survey on the extent to which our trade might be affected by the development of a textile industry, I have the honour to inform you that a five-year industrial and economic plan has now been approved by the Council of Ministers after exhaustive examination.

2. This five-year plan has not been made public to date, but from the declarations of Celal Bey, Minister of National Economy, to the press and from information obtained from reliable sources, provision is made therein for the development of the existing textile industry.

As the Department is already aware, it has always been the intention of the Turkish Government to concentrate thereon, so that the country should eventually be self-supporting, especially in so far as the coarser grades of cotton and woollen piece-goods are concerned, but for some years no very great progress had been made with a view to carrying out the Government's policy. Any advance in this direction was left mainly to private initiative, which owing to lack of capital has not been an important contributive factor.

3. In May 1932 Ismet Pasha, President of the Council of Ministers, who is believed to be mainly responsible for the economic policy of the country, visited Russia. On this occasion the Soviets came forward with certain proposals providing for the grant of a long-term credit for the supply from Russia of plant for the development of Turkish industry, inclusive of textile machinery.

This offer, which was accepted by the Turkish Government, was followed by the visit to this country of a Russian technical mission, which visited several centres in Anatolia with a view to drawing up, in conjunction with their Turkish colleagues, an industrial programme providing for the erection of certain factories for the consumption of raw material.

During this visit samples of home-grown cotton and flax were collected and many centres in Anatolia were surveyed, including the town of Kayseri, wherein a site was selected for the erection of a cotton and woollen weaving and spinning mill.

4. On the return of the Soviet Mission to Russia, the samples of cotton and flax were submitted to laboratory tests, and at a later date a full report was presented to the Turkish Government wherein figured the class of machinery considered to be the most suitable for the aforesaid raw materials.

5. It is probable that this report constitutes the framework within which the Turkish Government have prepared their five-year plan, which has formed the subject of much comment and speculation. According to Celal Bey and the Turkish press, the five-year plan is to constitute a code to serve as the foundations upon which the economic activities of the country are to be assured, and from what I can gather it provides for the direct control of industry by the Turkish Government, and the conversion, by the creation of a number of factories, of the main industries of the country into practically a State monopoly.

6. The Turkish Government has already monopolised the sugar industry. It already possesses textile mills, and when the proposed mills are erected and the machinery purchased through the Sumer Bank, the Government's participation in the textile industry will be preponderant.

7. According to the declarations of Celal Bey, Minister of National Economy, the following industries are to be developed :—

(1) *The Textile Industry.*—Celal Bey estimates that with large textile mills in Kayseri and Denizli, another at Eregli near Konya, and the enlargement of the Bakirköy factory in Istanbul, the output should then be sufficient to provide for most of the country's requirements in the coarser grades of cotton and woollen tissues. According to Celal Bey, the number of factory hands will then be increased from 68,000 to 120,000, and the culture of cotton increased in proportion to this industrial progress.

(2) A factory in the vicinity of Bursa for the manufacture of sacks. The output of the proposed factory will provide for practically all the country's requirements.

(3) *An Iron and Steel Industry.*—The creation of an iron and steel industry was envisaged some years ago, but no steps had been taken to carry out the project.

(4) *Paper Mills.*

(5) A factory for the manufacture of window glass and another for bottles for the Spirit Monopoly.

(6) The establishment of furnaces in the Black Sea coal basin for the manufacture of coke on a large scale.

8. It is, perhaps, natural that the textile industry should constitute an important feature in the five-year plan as the raw material exists in the country, but it is rumoured that there was some opposition in the Cabinet to the wide field covered in the report, and to the expansion of industry on such a scale, on the grounds that an industrial programme of such magnitude would be prejudicial in the long run to the export trade of the country.

9. To carry out the industrial scheme will require a considerable outlay. It is highly improbable that the Soviet Government will be able to provide all the machinery necessary to carry out the five-year plan, and, therefore, the Sumer Bank, which is to act as the channel through which plant is to be acquired, will no doubt seek markets where long-term credits are obtainable for, with a decline in revenue, it cannot be anticipated that the Turkish Government will countenance any terms entailing early settlements, and I learn from a reliable source that in any case no plant will be acquired from manufacturers in countries which have no clearing agreement with Turkey.

10. The views expressed here below by a Turkish authority, who has been closely following the question of the development of a textile industry in Turkey, may be of interest, for he has endeavoured to demonstrate to what extent the country will be self-supporting when the new factories operate and when the peasant is able to produce long-fibred cotton :—

"The cotton piece-goods industry will occupy an important place in the new Turkish economic programme. It is quite natural that this should be the case, as cotton piece-goods are one of the main articles imported into our country.

"In spite of the fact that during the last few years the local manufacture of cotton piece-goods has increased, our imports of cotton manufacture during 1932 amounted to 20·5 million liras, and thus constituted 23·93 per cent. of our total imports. The amount of money that we have paid abroad under this heading during the last ten years is as follows :—

Year.	Thousands of liras.	Year.	Thousands of liras.
1923	53,940	1929	59,869
1924	63,571	1930	32,371
1925	74,235	1931	33,165
1926	71,879	1932	20,558
1927	50,830		
1928	52,449	Total ...	... £T.512,833

"Our imports of cotton piece-goods have fluctuated each year between 37·25 per cent. and 21·53 per cent. of our total imports.

"It can thus be perceived that the establishment of a cotton piece-goods industry will save us from being dependent abroad and will create great activity in the country.

"The machinery for the factories specified in the five-year plan is to be purchased from Soviet Russia against long-termed credit.

"Nevertheless, the construction of the factories themselves, buildings, transport, &c., require much capital, and, therefore, the economic plan has taken this factor into consideration.

"If the new factories do not supply the whole needs of the country in cotton piece-goods, they will at all events be able to supply a large proportion of these

needs. Our normal requirements under this heading are approximately as follows :—

Years.	Imports in 1,000 tons.	Local Manufactures in 1,000 tons.	Total in 1,000 tons.
1923	20·50	3·70	24·20
1927	19·30	5·72	25·02
1932	13·43	9·55	22·48

"Our small and large factories, as well as the hand-looms which are in activity to-day, are estimated to have manufactured the following quantities during the year 1932 :—

	Metres.
Big factories	13,683,700
Small factories	1,037,100
Hand-looms	60,000,100
Total	74,720,900

"In addition to the above, there were, in 1932, 110,000 to 120,000 spindles in local factories which produced 4,080,000 kilog. of cotton yarn.

"The producing capacity of the new factories to be established is as follows :—

	Producing capacity in metres. Million metres.
The Kayseri factory	30
The Nazilli factory	15
The third factory	22
Total	67

"Imports of cotton piece-goods and yarns in 1932 amounted to 13,337,000 kilog. and 3,485,000 kilog. respectively; deducting from the above figures the quantities of piece-goods and yarns which could not profitably be manufactured in the country owing to the special processes required in their manufacture, it is calculated that the amounts of piece-goods and yarns which could be produced in Turkey in order to replace imports from foreign countries are as follows :—

	Kilog.	Length in metres.
Cotton piece-goods	12,567,000	105,000,000
Cotton yarns	2,938,000	...

"It follows, therefore, that in 1932, the total requirements of the country in cotton piece-goods were as follows :—

	Metres.
Locally manufactured	74,720,000
Imports	105,000,000
Total	179,720,000

"When the new factories are established the total producing capacity of the country will be—

	Metres.
Existing factories	74,720,000
New factories	67,000,000
Total	141,720,000

thus leaving 38 million metres to foreign countries.

"It should, nevertheless, be understood that even in the future we will continue to import from abroad cotton piece-goods which cannot advantageously be manufactured in the country.

"Experience, as well as the investigations made on the occasion of the establishment of the cotton piece-goods industry has shown that only cotton yarns up to twenty-four counts can be spun with our short-fibred cotton, and that higher counts cannot be spun.

"Unless and until long-fibred cotton can be produced, the existing factories as well as the new factories to be established within three to five years will need 6 million kilog. per annum of long-fibred cotton, and which must be imported.

"Nevertheless, even to-day, the local consumption of our local cotton is rather important; during 1932 6·6 million kilog. of cotton were consumed. It is hoped that during the next two or three years 9 million kilog. of cotton per annum will be employed.

"Our new factories will be able to manufacture all kinds of thin and coarse cotton piece-goods; grey sheetings, white shirtings, grey shirtings, satins, prints, caramandols, ginghams, Japanese striped drills, flannels, printed flannels, mulls, &c.

"In summing up we can state that with the factories existing to-day and the factories to be newly created it will be possible to provide, by local industry, practically all the needs of cotton piece-goods deemed necessary for the country."

I have, &c.
HAROLD WOODS,
Commercial Secretary.

Enclosure 2 in No. 9.

Mr. Woods to Sir John Simon.

(O.T. (B) No. 37/34.)

Sir, *Istanbul, January* 24, 1934.

WITH reference to the last paragraph of my despatch Overseas Trade (B) No. 30/34 of the 18th January, relative to the five-year industrial and economic plan, I have the honour to inform you that, according to the local press, a protocol was signed on the 21st instant between the Minister for Foreign Affairs and the Russian Ambassador, by virtue of which Russia grants Turkey a credit of 8 million gold dollars for the purchase in Russia of machinery for the industrialisation of Turkey.

2 This formal agreement no doubt refers to the credit proposals made to Ismet Pasha on the occasion of his visit to Russia in May 1932.

I have, &c.
HAROLD WOODS,
Commercial Secretary.

[E 891/117/44] No. 10.

Mr. Morgan to Sir John Simon.—(*Received February* 8.)

(No. 50.)

Sir, *Angora, January* 28, 1934.

IN his despatch No. O.T. (B) 461/33 of the 24th December last, the commercial secretary to His Majesty's Embassy referred to a Turkish decree, No. 15416 of the 12th December, 1933, and drew attention to the discrimination against goods of British origin resulting from the application of article 2 of the decree. A translation of this article is as follows :—

> "Goods mentioned in quota lists and in list 'M' attached to Decree No. 14859, which arrived in the customs before the 1st November, 1933, from countries which, by reason of the existence of clearing agreements, do not require payment in 'Devisen,' may be freely cleared within the scope of the provisions of the agreements in question."

The benefits conferred by this article on countries which have concluded clearing agreements with Turkey were afterwards extended to the United States of America and Switzerland.

2. At the time of the issue of the above decree, certain classes of British and non-British goods which had arrived before the 1st November, 1933, were lying in Turkish custom-houses, and could not be cleared owing to the insufficiency of the quotas allotted for them. The effect of the decree was that importers were

enabled to effect clearance of such goods of non-British origin as were from countries possessing clearing agreements with Turkey, while British goods had to remain in the customs, being unaffected by the decree. As this state of affairs seemed to me to constitute an infringement of the terms of article 16 of the Anglo-Turkish Commercial Treaty of 1930, I prepared a note, of which I enclose a copy, and handed it to Bedy Bey, head of the Economic Section of the Ministry for Foreign Affairs, explaining its purport verbally at the same time.

3. Bedy Bey said that the note would be passed on to the Ministry of Economy for consideration, but that he could safely affirm that the reply of that Ministry (and of the Ministry for Foreign Affairs) would be that it considered the terms of the Treaty of Commerce of 1930 as obsolete. That treaty was concluded before the fall of the pound and the more recent developments of the world crisis, and did not correspond to present conditions. The most recent statement of figures in his possession (he produced a copy from his drawer) showed that Turkey's trade balance was unfavourable to the tune of 2 millions with the United Kingdom, and of 1 million with India. Turkey could not stand this drain of foreign exchange.

4. I said that, in parenthesis, the balance was favourable to Turkey to the tune of 1 million with Palestine, but Bedy Bey, as I anticipated, said that countries detached from the Ottoman Empire, and now under mandate, were considered as being in a special category, and, therefore, he did not take Palestine into consideration in his calculations.

5. I objected that the Commercial Treaty of 1930 was still binding, even when its terms became unfavourable to one party, and that if another treaty was made to replace it, there would be no guarantee of its terms being observed in the event of their turning unfavourable for one party. He replied that any new agreements made could be arranged to be of limited and short duration.

6. He went on to say that the restrictions imposed on British and not on certain other foreign goods were deliberate, and, in imposing them, the Government was aiming at reducing the adverse trade balance. He had hoped that some new agreement to meet the abnormal situation would be concluded between His Majesty's Government and Turkey. Tevfik Rüştü Bey, Minister for Foreign Affairs, had put the point to His Majesty's Embassy, and Numan Bey, Secretary-General to the Ministry for Foreign Affairs, had made certain suggestions to the Embassy also. (See my despatches Nos. 435 of the 10th November, 1933, 447 of the 14th November, 1933, 453 of the 17th November, 1933, and 506 of the 9th December, 1933.) Turkey had hoped, he said, that some arrangement to replace the obsolete treaty of 1930 would be made. He added that Turkey had thought that if a clearing agreement were not possible—as being opposed to English ideas—then some other form of agreement would do. But His Majesty's Government had given no reply to Turkish suggestions, and he had heard that in a reply given to a parliamentary question His Majesty's Government had seemed to reject the idea of any new trade agreement with Turkey. (Bedy Bey was, no doubt, referring to Mr. Runciman's reply of the 19th December, 1933, to Mr. Eady—a copy of which was enclosed in your despatch No. 486 of the 28th December, 1933.)

7. Bedy Bey went on to say that every nation—the United Kingdom included—was trying to find ways of keeping its trade balance favourable. Greece—a country with whom Turkey had a favourable trade balance—had now taken steps, despite its great friendship for Turkey, to equalise the Turco-Greek commercial exchanges, and to do away with Turkey's favourable balance. Spain had done the same. Turkey found itself obliged to take all sorts of steps to reduce its unfavourable balance of Anglo-Turkish trade. The Commercial Treaty of 1930, which was concluded at a time when generous and liberal ideas about foreign trade were current, was no longer in keeping with present conditions.

8. He concluded by repeating that the reply of the Ministry of Economy to the note now presented by His Majesty's Embassy would, no doubt, be unfavourable, and would be probably to the effect that Turkey was willing to extend to the United Kingdom the privileges and freedom it now granted to certain other countries, if the conditions prevailing in the Turkish trade with those other countries were reproduced in Anglo-Turkish trade.

9. The impression I gather from this and other interviews is that protests will be unavailing to prevent the Turkish authorities doing all they can to reduce the unfavourable balance resulting from Anglo-Turkish trade. I feel that some

form of short-term agreement to replace parts of the Anglo-Turkish Commercial Treaty of 1930, and to effect an equalisation of trade exchanges between Great Britain and Turkey, thus avoiding the necessity of exporting cash, is necessary to secure freedom from all restrictions for the smaller volume of British exports to Turkey which would be the result of the agreement. Such an agreement would also allow British importers in Turkey to compete for orders which they cannot at present hope to secure, as such orders are, in practice, reserved for countries having clearing agreements with Turkey.

10. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 10.

Note by Mr. Morgan.

IN his letter of the 20th July, 1933, addressed to his Excellency Dr. Tevfik Rüştü Bey, His Majesty's Ambassador drew the attention of his Excellency to certain considerations regarding the restrictions affecting goods despatched from the United Kingdom to Turkey, basing these considerations on article 16 of the Anglo-Turkish Treaty of Commerce and Navigation at present in force.

His Majesty's Embassy has the honour to invite the attention of the Ministry for Foreign Affairs to a further case of discrimination against products of the United Kingdom in consequence of the provisions of Decree No. 15416 of the 12th December, 1933, and of Decree No. 15467 of the 24th December, 1933, the first of which provided for the free entry into Turkey of various goods which figured in the quota lists and in List "M" and were discharged at the custom-houses before the 1st November, 1933, having been exported by countries with which a clearing agreement had been concluded. In accordance with the provisions of the second decree mentioned above, the same facilities were granted in respect of goods exported by the United States of America and by Switzerland.

There still remain in the Turkish custom-houses stocks of goods of United Kingdom origin which figure in the quota lists and arrived before the 1st November, 1933, and which, according to the stipulations of the above decree, are precluded from benefiting by the advantages reserved to other countries. In consequence they have not been cleared from the customs, despite the Turkish Government's obligation to assure to products of the United Kingdom a treatment not less favourable than that granted to the products of other countries, in accordance with article 16 of the Anglo-Turkish Commercial Treaty of 1930. The Embassy, therefore, has the honour earnestly to request the Ministry for Foreign Affairs to be good enough to draw the urgent attention of the competent department of the Turkish Government to the considerations set forth above, and trusts that the latter will immediately put into effect its above-mentioned obligation by granting to goods of United Kingdom origin which arrived at the custom-house before the 1st November, 1933, facilities for clearance identical with those accorded to goods of other countries, and in particular with those granted to the United States of America.

Angora, January 27, 1934.

[E 1185/117/44] No. 11.

Sir P. Loraine to Sir John Simon.—(*Received February* 23.)

(No. 65.)

HIS Majesty's representative in Turkey present his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a memorandum by the commercial secretary respecting the economic policy of the Turkish Government and its effect on British trade.

Angora, February 9, 1934.

Enclosure in No. 11.

Memorandum by the Commercial Secretary, Angora.

IT may be of interest to review the economic policy of the Turkish Government up to the present time, and the effect that such policy is likely to have on the trade of the United Kingdom.

In the early days of the Nationalist or Kemalist régime the economic policy was clearly defined. It aimed at an adjustment of the country's trade balance with the object of assuring the stability of Turkish currency. This was to be secured by the development of industry and an increase in the volume of exports.

With a view to encouraging industry, special legislation was enacted granting concessions in regard to the installation of factories and the import of raw material, and tariff revisions were effected from time to time providing for increases in the duty on any article which it was considered was competitive with the native product.

As a result of this policy, there has been a slow but steady development of local industry, notably in regard to the coarser grades of cotton goods, woollen goods of all kinds, cotton and woollen knitted goods, silks, leather manufactures and footwear, soaps, sugar, perfumery, chocolate, sweets, biscuits, preserved fruit, fish and vegetables, furniture and bedsteads.

There has also been an improvement in the quality of the Turkish product, particularly in the leather industry.

The Turkish Government has not been content to leave industrial development to private enterprise, but has directly participated in the creation of sugar factories and in the re-equipment of Government textile and leather factories, and the Sumer Bank, which is in effect an official institution, has been created for the express purpose of financing and facilitating further industrial enterprises. The Turkish Government has, moreover, under consideration a five-year industrial plan, which comprises the creation of factories for the manufacture of paper, window glass, textiles, and the development of an iron and steel industry.

In the domain of agriculture, assistance has been provided to the peasants, co-operative societies have been instituted, grain has been provided from time to time free of charge, and the activities of the Agricultural Bank have been directed towards the development of agriculture.

Owing, however, to the continued world crisis, it was found that, to attain the main objectives as set forth above, namely, the stability of the country's currency and the adjustment of its trade balance, some considerable time would necessarily have to elapse, and therefore extraordinary measures would have to be taken.

Further protective increases in the customs tariff were imposed, and exchange restrictions were applied, which, for some considerable time, secured stability, but when the United Kingdom went off the gold standard there was a feeling of uncertainty. Turkey very naturally pegged the Turkish pound on the franc, further exchange restrictions were applied, and extraordinary machinery was set in motion to wipe out Turkey's adverse trade balance and to ensure the stability of the Turkish pound. Without any warning a quota system of imports was imposed.

In deciding upon this extreme step, the Turkish Government was no doubt extremely preoccupied with the stability of national currency. The combined effects of the comprehensive assistance given to industry and the heavy duties applied to foreign goods could not do more than affect the relatively small range of products manufactured in the country, and every year, from the close of the war until 1931, the trade balance of the country was adverse, and this adverse balance was increased by the fact that "invisible" imports, in the shape of debt payments abroad, shipping and insurance services, and remittances by foreign concessionary companies in Turkey, exceeded invisible exports, which consisted mainly in remittances from abroad and tourist traffic.

The result was a deficit every year of several million Turkish pounds, which had to be converted into foreign currency and transferred abroad, and in a poor country such as Turkey this process represented a serious drain on the nation's resources.

Although the quota system was extremely prejudicial to the commercial interests of all countries trading with Turkey, there were no grounds for protest

against these restrictions, for there was no question of discrimination in favour of any given country, but, with the advent of the present Minister of National Economy, Celal Bey, conditions changed. He found the quota system of imports served as a fairway or easy channel through which he could operate in order to improve upon existing conditions.

Celal Bey approached the problem in two ways. In the first place, he wished to increase the exportation of certain Turkish products which had found an increasing difficulty in finding a sale abroad, and, in order to do this, a decree was issued by which goods of foreign manufacture could be imported free of quota restrictions against the export of the Turkish products in question.

This measure enabled him to get rid of surplus stocks of tobacco, for which there was no market, and to check the decline in exports due to lack of markets.

The other problem upon which Celal Bey concentrated was that of finding some means of making the quota system less undiscriminatory in its application, as, in his view, it was unjust that all countries should be treated on the same footing, irrespective of their commercial exchanges with Turkey.

A first step in this direction was the publication of a new decree, which provided for the elimination, as regards certain classes of goods, of countries such as Japan which, although exporting to Turkey, took little in exchange.

To carry out the terms of this decree a list, known as List "M," allocating quotas by country in respect of certain tariff positions, was added to the import quota lists, and little or nothing was allowed to countries which were not buyers of Turkish produce.

This measure had some effect, for, in order to introduce her cotton goods, Japan was forced to take opium and a certain amount of tobacco.

The Minister's next step was to obtain the cancellation of exchange restrictions applied by countries, such as Spain, on Turkish exports. These restrictions were seriously affecting the export to Spain of eggs, and, in return for their cancellation, Spain was allowed to introduce her products into Turkey free of quota restrictions.

This step was the first indication of Turkey's failure to recognise her treaty obligations.

This concession, however, did not affect our trade with Turkey, but, as a palliative to the United States of America, whose exports to Turkey were far below her imports from Turkey, the admission free of quota restrictions of certain manufactures of the United States was granted, some of them competitive with our own.

This measure, which constituted the second indication of Turkey's failure to recognise treaty rights, was so frankly a measure of discrimination as to give cause for anxiety as to the future trend of Turkey's policy.

The attitude taken by the Turkish Government in answer to protests was that, in time of economic crisis, exceptional measures were justified to safeguard the economic activity of the country, and that the Turkish Government were willing to grant to all countries the same concessions as those granted to the United States on a system providing for the balance of payments.

It is believed that it had always been the intention of the Minister of National Economy to carry out, with as little delay as possible, the economic policy of the Turkish Government, and he would appear to be convinced that the only means of carrying out this policy is by the conclusion of special trade agreements, based on the balance of payments operating through clearing-houses, his argument being that, if any country is desirous of increasing the volume of its exports to Turkey, that country must increase the volume of its imports from Turkey, and he is determined to attain his object through the medium of the quota system of imports. He has been partly successful, for a number of countries, including Germany and France, have negotiated clearing agreements with Turkey, and he will undoubtedly drive other countries into negotiating similar agreements. This end will be attained by further discrimination in the allocation of quotas on List "M," and by drastic reductions of quota allocations in the general quota lists. Moreover, Government contracts will, wherever possible, be awarded to those countries having clearing agreements with Turkey.

Turkey has denounced its commercial treaties with Italy and Belgium, and there is little doubt that the Belgian Government will be prepared to negotiate a clearing agreement if no other *terrain* can be found upon which to negotiate.

In addition, Switzerland, by a provisional agreement, has undertaken to negotiate one on a clearing system.

The attitude of the Minister, as described above, was apparent in the allocation in November last of the quotas in List "M." The decree introducing these quotas for the period October to December granted the right to countries with clearing agreements to import treble the quantity of goods shown against their name under the tariff positions contained in the aforesaid list. This discrimination, flagrant enough in itself, was accentuated in the allocation of the quotas, the quotas fixed for certain countries with clearing agreements being out of proportion on a percentage basis to their exports to Turkey in a normal year. Finally, by a recent decree, the clearance of all stocks from countries having a clearing agreement which were held up owing to the insufficiency of quotas, has been authorised, but this concession has been denied to the United Kingdom.

In view of the foregoing situation, the position of our trade with Turkey can only be looked upon with some anxiety.

It is restricted under a quota, whereas many classes of goods exported to Turkey by our principal competitors are, by virtue of clearing agreements or by special concessions, free of import restrictions. It is not possible at this juncture to form an idea as to the extent of the drop in the volume of our exports to this country as the result of discrimination, but it is feared that, when statistics are available covering a period on the basis of which a comparison can be made, it may be found that the volume of our trade on a percentage basis will show a decline and that of our main competitors an increase.

Hitherto, protests against the breach of Turkey's treaty obligations have been unavailing, and it is improbable that continued protests will produce any result.

This is the position at present, and it is believed that even were the Turkish Government to grant us unconditional most-favoured-nation treatment until the expiration of the Anglo-Turkish commercial agreement in September 1935 (an unlikely contingency) they will, in any new treaty, base their negotiations on the principle of equality of commercial exchanges, and although such an agreement may perhaps be more satisfactory than the quota system as applied to the trade of the United Kingdom at the present time, it has the disadvantages that there is no guarantee that our imports from Turkey will continue on the level of previous years, Turkey's exports being dependent on the extent of her exportable crops, and there are other factors which would have to be taken into consideration, such as the increased preference rates granted to the Dominions under the Ottawa Agreement which might well result in a considerable decrease in our imports from Turkey under the heading of dried fruits, unless some concessions are granted in favour of figs and sultanas. It is feared, therefore, that the development of our trade with this country in the future will be contingent upon the value of our imports from Turkey.

According to the latest returns from Smyrna of exports of dried fruits to the United Kingdom, there is a marked decline in shipments of sultanas, compared to last year.

Turkey's economic policy is, therefore, a serious obstacle to the development of our trade, which under normal conditions, and under the terms of the existing Anglo-Turkish treaty of commerce, would have shown a progressive improvement.

The following review of Turkey's trade balance from 1926 up to the first ten months of the current year, and that between the United Kingdom and Turkey for the same period is furnished here below, as well as figures showing the relative position of our principal competitors as compared to our own.

Turkey's Trade Balance.

	Imports into Turkey. (In millions of £T.)	Exports from Turkey. (In millions of £T.)	Balance. (In millions of £T.)
1926	234·7	186·4	— 48·3
1927	211·4	158·4	— 53·0
1928	223·5	173·5	— 50·0
1929	255·9	155·4	— 100·5
1930	147·5	151·4	+ 3·9
1931	126·6	127·2	+ 0·6
1932	86·0	101·3	+ 15·3
1933 (ten months)...	61·4	70·4	+ 9·0

The marked decrease in imports in 1930 was due primarily to the application of increased customs duties in 1929, and this downward movement was accentuated by the establishment, in November 1931, of the quota system. The retrogression in the import trade was accompanied by a decline, though not to quite the same degree, in Turkish exports; this decline has been caused by the increasing difficulties in finding outlets for Turkish agricultural produce and by the sharp fall in world prices of such produce. Although the heavy adverse balance which had been a feature of the country's overseas trade returns up to 1929 was converted, in 1930, into a small balance in favour of Turkey, it was considered that the economic position of the country and the necessity for ensuring the prosperity of Turkey's growing industries called for a drastic control of imports, a control which was effected, as stated heretofore, by the application of the quota system.

This new economic policy naturally resulted in a severe reduction in the exports of all countries to Turkey. The United Kingdom was one of the principal victims of the system, for apart from the fact that our staple exports to Turkey, viz., cotton and woollen goods, were seriously affected, the quotas were applied at a time when the United Kingdom might reasonably have expected to derive a great advantage from the abandonment of the gold standard.

The institution of the compensation system mitigated the worst effects of the quotas, but this expedient has now been abolished and in view of the fact that, in the present quotas, countries having a clearing agreement receive specially favourable treatment under List "M," the future outlook is, as far as the United Kingdom is concerned, indeed gloomy.

Exports of the United Kingdom and of her Principal Competitors to Turkey from 1926 to 1933 (first nine months).

The attached table shows the exports of the principal countries exporting to Turkey during the past eight years, together with the percentage of the total trade which these exports represent.(1)

The decrease in the trade of all the principal countries exporting to this country is the natural corollary of the quota system and of the development of Turkish industry.

The relative positions of the various countries have undergone some change in recent years, the most notable modifications being the increase of Germany's exports (13·7 per cent. of the total in 1926, as against 25·7 per cent. during the first nine months of 1933) and the marked decline in imports from France (13·7 per cent. in 1926 and 5·6 per cent. during the first nine months of 1933).

The United Kingdom's export trade to Turkey showed a relative decline up to 1930; there was a slight but increasing improvement in our position in 1931 and 1932 and the first nine months of 1933, but this improvement is likely to be arrested by increasing quota restrictions.

Results of Turkey's General Economic Policy.

The Turkish Government has been successful in its immediate objectives of balancing the commercial exchanges of the country, stabilising the exchange and arresting the exodus of capital, but these results have been achieved only by a policy of restriction.

Considerable sums have been expended on railway development and this expenditure, which will constitute a heavy financial burden for some years to come, had as one of its aims the development of agriculture and the stimulation of export trade; it was hoped, in effect, that once rapid and cheap transport was available to move and distribute crops to consuming and export centres, Turkey would be able to export her crops in greater volume and at cheaper rates.

In this direction the Government has been unsuccessful. The railways, apart from the immediate financial burden they entail, are run at a loss, and are likely to do so for many years to come, but this aspect of the question would be relatively unimportant had the new means of communication been instrumental

(1) Not printed.

in increasing exports. The export returns will indicate the extent to which this hope has been disappointed. Even when allowance is made for the fall in world prices since 1926, it is obvious that Turkey's overseas markets are shrinking and that the artificial stimulation of clearing agreements can do no more than check the decline.

HAROLD WOODS.

[E 1186/117/44] No. 12.

Sir P. Loraine to Sir John Simon.—(*Received February* 23.)

(No. 66.)

HIS Majesty's representative in Turkey presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of despatch No. O.T. (B) 49 from the commercial secretary at this Embassy to the Department of Overseas Trade, dated the 3rd February, respecting Turkish trade.

Angora, February 9, 1934.

Enclosure in No. 12.

Commercial Secretary to Department of Overseas Trade.

(Overseas Trade (B) No. 49/34.)

Sir, *Istanbul, February* 3, 1934.

WITH reference to my despatch Overseas Trade (B) No. 447/33 of the 7th December last, transmitting a copy of the printed statistics of imports and exports for the month of October 1933, I have the honour to inform you that no further statistics have been issued, either by the Customs Administration or by the Turkish Export Office.

2. I am informed that the overseas trade returns for the months of November and December were compiled and printed in the usual manner, but that their distribution has been withheld at the request of the Minister of National Economy. Celal Bey is stated to have made this request mainly as a result of the difficulty, mentioned in paragraphs 3 and 4 of Mr. Morgan's despatch No. 423 of the 8th November last, of establishing the real balance of the commercial exchanges between Italy and Turkey, and the Minister of National Economy was unwilling that the Turkish Government's own statistical returns should be used as a weapon against his Ministry in its negotiations with Italy for the conclusion of a clearing agreement.

3. It has been possible to obtain from a reliable source certain statistics relative to imports and exports during the months of November and December, and it is possible, therefore, to form a general idea of the distribution of Turkey's overseas trade in 1933.

4. Imports in November and December last amounted in value to £T.6,560,000 and £T.6,750,000 respectively, whilst the value of exports during these two months was £T.13,370,000 and £T.12,515,000.

The total value of imports into Turkey in 1933 was £T.74,676,000 and of exports £T.96,262,000, thus leaving a balance in favour of Turkey of £T.21,586,000. In 1932 the value of imports was £T.85,984,000 and of exports £T.101,301,000, and the balance in favour of Turkey was £T.15,317,000.

Imports declined, therefore, in 1933 by £T.11,308,000 or 15 per cent., and exports by £T.5,039,000 or 5·5 per cent.

5. The attached table shows the exports to and imports from Turkey of the principal countries trading on this market in 1933 and 1932.

6. As far as the trade of the United Kingdom is concerned there was a drop in the value both of imports and exports, but the decline in our imports from Turkey was greater than that of our exports to this country.

In fact, although exports from the United Kingdom to Turkey decreased in value by £T.652,000 in 1933 as compared with the previous year, the relative proportion of our share in Turkey's import trade increased from 12·4 per cent. in 1932 to 13·4 per cent. in 1933.

7. It should be borne in mind, however, that the trade of the United Kingdom did not in 1933 feel the full effects of the policy of discrimination which is being exercised by the Ministry of National Economy with the object of driving us into a clearing agreement. In the first place, many classes of goods were, throughout 1933, on List "A," and could, therefore, be imported without restriction, but it is by no means certain that this system will be renewed in future quotas and as regards textiles, which normally constitute the bulk of our exports to this country, the worst effects of the quotas were mitigated by the compensation system which has now been abolished except in respect of minerals.

8. It is to be feared, therefore, that our export trade will be severely handicapped in 1934.

9. I would request that as the statistics for the months of November and December were furnished confidentially by a customs official, they should not be published in the *Board of Trade Journal*.

10. An extra copy of this despatch is forwarded for transmission to the Librarian, Board of Trade.

I have, &c.
(For Commercial Secretary),
N. S. ROBERTS.

Annex to Enclosure.

Turkey: Exports and Imports by Principal Countries.

	Exports to Turkey.		Imports from Turkey.		Trade balance in 1933.	
	1933.	1932.	1933.	1932.	In favour of Turkey.	Against Turkey.
	£T.	£T.	£T.	£T.	£T.	£T.
Germany .. .	19,048,000	19,982,621	18,223,000	13,722,374	..	825,000
United Kingdom ..	9,588,000	10,640,466	8,592,000	9,974,613	..	1,396,000
Italy	8,549,000	11,074,200	12,967,000	16,358,814	4,418,000	..
Belgium	4,395,000	6,175,381	2,557,000	3,458,525	..	2,438,000
France	4,902,000	7,189,840	6,181,000	7,820,185	1,279,000	..
U.S.S.R.	3,907,000	5,942,269	4,450,000	5,437,163	543,000	..
Czechoslovakia ..	3,466,000	3,734,558	3,686,000	3,458,525	220,000	..
Japan	3,232,000	3,969,495	1,460,000	275,076	..	1,772,000
United States .	2,345,000	2,266,546	10,065,000	12,032,227	7,720,000	..

[R 1204/22/67] No. 13.

Sir P. Loraine to Sir John Simon.—(*Received February* 26.)

(No. 75.)

Sir, *Angora, February* 15, 1934.

I HAVE the honour to inform you that the Balkan Pact, signed at Athens on the 9th February, has formed the subject of numerous enthusiastic commentaries in the Turkish press, the most significant and authoritative of which is a leading article published in the *République* of the 12th instant, over the name of Yunus Nadi Bey, Deputy for Mentese. The principal passages of this article are to the following effect:—

2. It will never be forgotten that the origin of the Balkan Pact was the Graeco-Turkish Agreement. The spectacle of these two neighbouring nations giving each other their heart and their hand after the most sanguinary encounters will be recorded in history as nothing less than miraculous.

3. The honour of having created the pact, which establishes peace and calm in the Balkans, belongs in equal shares to those who have concluded and signed it. While giving full credit, however, to the efforts of all concerned in this delicate matter, it may be affirmed, without fear of error, that the position of Turkey was exceptionally delicate. The whole world knows that, in the history of these times, the Russo-Turkish friendship has assumed the nature of a tradition. Now, this

being Turkey's position, two of the Powers which were to join in the Balkan Pact, namely, Roumania and Yugoslavia, had not even entered into relations with Russia. Thanks, however, to the immeasurable sincerity of the Turkish Republic, Turco-Russian friendship has emerged successfully from so difficult a trial. The Balkan Pact, which harbours not the very slightest idea directed against any State whatever, cannot be unfavourable or even unpleasing to Russia. Indeed, the foreign relations of the Balkan countries inspired us with complete confidence during the conversations which preceded the conclusion of the pact.

4. After declaring that the Balkan Pact, which is an historic event, contains no lacuna or void by reason of the non-adherence of one or two States, Yunus Nadi Bey proceeds, somewhat inconsistently, to regret the existence of this lacuna, and to express the hope that the void will sooner or later be filled. He concludes by affirming that the pact is, "of course," not directed against Bulgaria, as Bulgaria herself knows quite well. There was not, and could not have been, any alternative to the adoption of positive decisions regarding *de facto* situations, if peace were to be saved from every sort of indecision and incertitude. By joining this group, pledged to peace and security, and so taking her rightful place in the Balkan concert, Bulgaria will have chosen the best means of assuring her own interests. Such a course, "in the new form of comprehension of the new life," assumes the nature of an obligation for every Balkan State, an obligation which is as much a right as a duty.

5. I can only hope that, for its own peace of mind, Turkish opinion will be able to swallow this article as an authentic description of the position.

6. I am sending copies of this despatch to His Majesty's representatives at Athens, Belgrade, Bucharest, Moscow and Sofia.

I have, &c.
PERCY LORAINE.

[E 1345/1345/44] No. 14.

Sir P. Loraine to Sir John Simon.—(Received March 1.)

(No. 8. Saving. Most Confidential.)
(Telegraphic.) *Angora, February* 20, 1934.

MY telegram Nos. 6 and 7, Saving.

Minister for Foreign Affairs told me yesterday evening of a consideration which had been uppermost in Turkish mind respecting newly signed Balkan Pact. That was the question of the Straits.

His Excellency said that Turkish Government had reached conclusion that so long as the Straits were open they were a real source of wealth for Turkey, and that any closure of the Straits to free passage was against Turkish interests. Anything which tended to diminish the likelihood of the Straits being closed was, therefore, a Turkish advantage, and this was perhaps the most important advantage Turkey expected to derive from the Balkan Pact.

I said that interests of United Kingdom as a great maritime Power, both historically and actually, demanded freedom of all narrow seas—but freedom without abuse; and that Turkish aims, as described by his Excellency, therefore seemed quite in harmony with our ideas.

The Minister said that Turkish views in the matter of the Straits had crystallised in recent times. They had adopted two concepts as axiomatic. Firstly, that to hold the Straits, you must hold the Gallipoli Peninsula as well as the Bosphorus hinterland, at least as far as Chatalja. Secondly, that Straits can only be adequately protected from both shores.

The Turkish Government considered ultimate responsibility for keeping Straits open and for their defence against a threatened closure from outside rested on themselves. The conclusion of Balkan Pact lessened chances of their being called to discharge their responsibilities. The demilitarisation of Eastern Thrace was already an asset for their policy in regard to the Straits. Their object was to reduce to a minimum the risk of circumstances which might tend to a closure of the Straits. But I was perfectly right, his Excellency added, in saying "freedom without abuse." Turkey did not wish the Straits question to arise whether from an attempt to threaten Russia from the Ægean Sea, or from

an attempted Russian naval emergence towards the Ægean. The Turkish Government had naturally discussed the matter with the Soviet Government, and the latter did not like the Turkish view on the ground, I gathered, that it opened up possibility of Roumania being munitioned and supported from the sea in a sense hostile to Russia. The Minister for Foreign Affairs said, however, that Turkish Government had not only maintained their point of view, but had even drawn the Russians much nearer to it and had largely succeeded in allaying these Russian apprehensions, which Turks thought were distorted.

Finally, his Excellency said he wished me to know that this consideration which had actuated Turkish Government in its attitude towards Balkan Pact had not been mentioned to any of co-signatory States. Moreover, he had not discussed it with any of the foreign representatives in Angora, nor did he intend to do so. He therefore asked me to respect confidential character of his intimation. He thought matter was bound to be one of interest to United Kingdom as a great maritime Power and he believed Turkish attitude was fundamentally in accord with British interests.

It occurred to me as possible that Turkey's desire to remilitarise the Straits zone lay at the back of Minister for Foreign Affairs' mind, especially when he spoke of ultimate Turkish responsibility, but he made no allusion to that ambition and I observed a similar discretion. It may also just possibly be the case that, if she secured adhesion of Bulgaria to the Balkan Pact, Turkey would feel sufficiently insured against any threat to the Straits and would feel justified in not pressing the question of remilitarisation.

[E 1340/590/44] No. 15.

Mr. Waterlow to Sir John Simon.—(Received March 1.)

(No. 79.)
Sir, *Athens, February* 22, 1934.

WITH reference to my despatch No. 75 of the 16th instant, I have the honour to inform you that, according to the press, the Turkish Government was notified telegraphically on the 17th instant of the ratification by the Greek Parliament of the convention signed at Angora on the 9th December last providing for the suppression of the Mixed Commission for the Exchange of Greek and Turkish Populations. This notification is in lieu of exchange of ratifications, and the convention entered into force as from the 19th instant, from which date the periods contemplated in the agreement and summarised in my despatch under reference begin to run.

2. I have sent a copy of this despatch to His Majesty's Ambassador in Turkey.

I have, &c.
S. P. WATERLOW.

[E 1548/250/44] No. 16.

Sir P. Loraine to Sir John Simon.—(Received March 9.)

(No. 105.)
Sir, *Angora, March* 3, 1934.

I HAVE the honour to invite reference to Lord Chilston's despatch No. 61 of the 6th February, 1934, relative to the credit of 8 million gold dollars granted to Turkey by the Soviet Union.

2. It is assumed in Lord Chilston's despatch that the credit now in question is distinct from that which formed the subject of an agreement concluded at Moscow on the 6th May, 1932, as reported in paragraph 3 of Sir G. Clerk's despatch No. 164 of the 13th May following. That assumption is, however, apparently based on a misapprehension. I am informed by the commercial secretary to His Majesty's Embassy that there are not two such Russian credits,

but one only, and that it is to be utilised for the installation of textile machinery in this country. The matter is dealt with in paragraph 4 of Colonel Wood's despatch O.T. (B) No. 75/34 of the 22nd February last.

3. I am sending copies of this despatch to His Majesty's Ambassador in Moscow and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 1879/117/44] No. 17.

Sir P. Loraine to Sir John Simon.—(Received March 24.)

(No. 138.)

Sir, *Angora, March* 17, 1934.

I HAVE the honour, with reference to Sir Eric Drummond's despatch No. 19 to you, dated the 6th January last, to inform you that Numan Bey, Secretary-General of the Ministry for Foreign Affairs and head of the Turkish commercial delegation to Italy, returned to Angora from Rome on the 14th March without having reached any definitive commercial agreement with that country.

2. According to the report of an interview which has been published by the press, Numan Bey declared on arrival at Constantinople that he had spent a considerable time in Rome in the endeavour to conclude a commercial treaty "based on the proportion of 100 per cent." (by which his Excellency presumably meant one providing for equality in the commercial exchanges between the two countries—see paragraph 5 of Mr. Morgan's despatch No. 423 of the 8th November, 1933). Agreement had been reached on all points save one, and that involved a question of principle.

3. The Constantinople *Republique* stated in its issue of the 14th March that, according to its information, the point at variance had to do with the war vessels constructed in Italy for Turkey in 1931 (see paragraph 2 of Constantinople despatch No. 72 of the 20th February, 1932), the purchase price of which the Italians had refused to admit into the reckoning in connexion with the commercial negotiations.

4. Numan Bey, after his arrival at Angora, informed a member of my staff that agreement had just been arrived at, and that a new Turco-Italian commercial convention would shortly be signed at Angora. This has been confirmed by a member of the Italian Embassy staff.

5. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's Ambassador at Rome.

I have, &c.
PERCY LORAINE.

E 2029/117/44 No. 18.

Sir P. Loraine to Sir John Simon.—(Received April 2.)

(No. 20. Saving. Confidential.)

(Telegraphic.) *Angora, March* 27, 1934.

AS was to be expected, Signor Mussolini's recent speech, with allusions to future Italian expansion in Africa and Asia, has created an unfavourable impression here.

I gauge that at first there was grave resentment not unmixed with apprehension, which, in Turkish Government, the only focus of opinion that really counts, has been rapidly replaced by a resolve to maintain a calm attitude, to do nothing which would embitter any of Turkey's international relationships, but quietly to increase Turkey's defensive capacities.

One immediate result, so Minister for Foreign Affairs informs me in confidence, will be a decision to increase Turkish military aircraft strength from somewhat over 200 machines to 400; and to increase submarine flotilla from 4 to 15. This will involve expenditure, supplementary to that foreshadowed in

recently enacted budget, of £T. 15 million or £T. 16 million, necessitating extra taxation, a heavy further sacrifice which Turkish Government believe taxpayer will accept in the face of implied Italian threat.

In order not to show any ill-feeling, Turkey will endeavour to complete shortly pending commercial agreement with Italy. There is not much outstanding, but statement reported to you in paragraph 4 of my despatch No. 138, that agreement had been reached, was premature.

Further effect here of Signor Mussolini's speech has been to draw Turkey still closer to Russia. This the Minister for Foreign Affairs stated quite frankly.

(Repeated to Rome, No. 1, Saving; Moscow, No. 2, Saving; and Athens, No. 4, Saving.)

[E 2192/1204/44] No. 19.

Sir P. Loraine to Sir John Simon.—(Received April 9.)

(No. 157.)

Sir, *Angora, March* 31, 1934.

I HAVE the honour, with reference to my letter to Sir L. Oliphant dated the 3rd March, to inform you that the newly created post of Inspector-General for Thrace has been given to Ibrahim Tali Bey, who was Inspector-General of the Eastern Provinces from December 1927 to December 1932, when he was succeeded by Hilmi Bey, Under-Secretary in the Ministry of the Interior, and was elected Deputy for Constantinople. He will now resign his deputyship on taking up his new duties.

2. I availed myself of a recent opportunity to ask the Minister of the Interior what was the significance of the appointment of an Inspector-General for Thrace. I said that I had been somewhat puzzled about it, and that my attention had been drawn to two possible precedents, the fairly recent Inspectorate-General for the Eastern Provinces and the former Ottoman Inspectorate-General in Macedonia.

3. In his reply Sükrü Kaya Bey was good enough to go into the matter at considerable length. When the republic was founded, he said, the large pre-war vilayets had been abolished, and the territory left to the republic after the break-up of the Ottoman Empire was divided up into some eighty "departments" (still, however, called by the old name of vilayet). So large a number of local administrative units had proved rather unwieldy, and also rather expensive, and the policy, for which he himself was mainly responsible, was to reduce their number. The number had now come down to fifty-six, and he hoped to reduce it yet further to fifty. But the process of reduction had exposed him to a good deal of criticism and had encountered quite a degree of opposition, on account of local patriotism and a prevalent taste among the people for local self-government.

4. Experience had shown that it was not easy to keep the capital in touch with these various administrative units. It had therefore been decided to create six inspectorates-general. The inspectors-general were not super-Governors, for they had no executive power at all. Their business was to supervise the work of the Valis and the local administrative bodies, to enable Angora to know what local complaints and grievances there might be, to inspire among the population in general the feeling that they possessed means of ventilating any grievances and could get any complaints listened to, and generally to act as a link between the Central Government, the vilayets and the provincial populations.

5. Sükrü Kaya Bey said that what was retarding the creation of the other inspectorates-general was the question of expense: each post costing some £T. 60,000 a year. But the idea was popular in the provinces, and the Government had already received from Thrace a number of messages of satisfaction with the new appointment. Tali Bey, the new inspector-general there, was a first-rate man: elderly, experienced, and of measured judgment.

6. Sükrü Kaya Bey also said that the Government was feeling its way to greater unification of the forces of security, viz., police and gendarmerie. There were too many sorts of police to-day, city police, rural police, customs police, narcotics traffic police, and so on, besides the gendarmerie; the system was too complicated. It was largely in order to create and foster a spirit of solidarity in

the security forces that it had been decided to erect an important monument to those forces in the capital. Moreover, great efforts were being made to train and educate the police forces in courtesy and helpfulness. He wanted to have a popular police force, and one that had the affection as well as the confidence of the general public. He admired greatly the relations between the police and the public in the United Kingdom, and it was in that direction he wanted to move in Turkey.

7. He added that it was far more towards the British than towards the French conception of local government that Turkey was trending. He did not want a strongly centralised local administration such as existed in France, nor did he think it would suit the people of his country.

8. I am inclined to think that the Minister's explanation is the true one, and the fact that apparently the whole country is going to be divided into six zones, each under an inspector-general, would seem to deprive the choice of Thrace, as the second of such zones, of special significance. Since the War of Independence Turkey's European territory has shared with Constantinople the neglect which resulted from the concentration of the new régime on Angora and to a lesser extent on Asiatic Turkey generally. The Government, encouraged by the added sense of security as regards Thrace resulting from the Balkan Pact, may be assumed to have realised the importance of developing the resources of that once prosperous and still potentially wealthy region; and efficient administration would be the first means to that end.

I have, &c.
PERCY LORAINE.

E 2286/117/44 — No. 20.

Sir E. Drummond to Sir John Simon.—(*Received April* 12.)

(No. 284.)

Sir, *Rome, April* 6, 1934.

WITH reference to Sir Percy Loraine's despatch No. 138 of the 17th ultimo, I have the honour to report that the Italian press to-day contains the announcement that an Italian-Turkish Commercial Convention was signed at Angora on the 4th instant, replacing the provisional agreement of the 3rd August, 1929 (see paragraph 5 of my predecessor's despatch No. 804 (C) of the 2nd December, 1929).

2. It is stated that the present convention provides, except as regards certain quotas, for reciprocal most-favoured-nation treatment, and is supplemented by an agreement to regulate the payment of the commercial exchanges of the two countries by means of a "clearing" arrangement, whereby the transfer of funds from the one country to the other will be obviated. Provision is also made for the possibility of trade exchanges outside the limits established by the quotas by a system of "compensations" by private undertakings. The new agreement is to come into force on the 20th instant, the present *modus vivendi* (see my despatch No. 210 of the 5th ultimo) being prolonged until that date.

3. The National Institute for Foreign Exchanges is preparing the regulations under which the various sections of the Banca d'Italia will put into practical operation the provisions regarding payments.

4. The announcement regarding the conclusion of the agreement is accompanied in the press by what is evidently an inspired communiqué. A translation of this not particularly illuminating expression of official views is enclosed herein. I may add that I gather from a presumably well-informed source that the present convention is only to remain in force for a period of nine months. Italian press comments on the convention, other than the enclosed inspired statement, are brief, but eulogistic. Many papers emphasise that nothing now divides Italy and Turkey in the political sphere, and that this rendered the negotiations easier. The agreement, it is added, fits into the general scheme of bilateral treaties which has often been put forward by Italy in the past as the best means of overcoming the present economic crisis. The *Resto del Carlino* asserts that the Turkey of Kemal Pasha is gradually emerging from the rigid economic isolation which it had originally adopted owing to its fear of exploitation by larger nations. Only grudgingly is it abandoning this attitude, and that only when it has the absolute certainty of dealing with a friendly people. There

are generally expressed hopes that this fresh evidence of co-operation will lead to increased trade between the two countries.

5. Copy of this despatch has been forwarded to His Majesty's representative at Angora and to the Department of Overseas Trade.

I have, &c.
ERIC DRUMMOND.

Enclosure in No. 20.

Communiqué in the Messaggero *of April* 6, 1934.

(Translation.)

ITALO-TURKISH relations, inspired by reciprocal understanding and by mutual consideration of the interests of the two countries, are not only distinguished by marked cordiality in the political sphere, but are also strengthened and reinforced by economic co-operation. The commercial convention which has been signed at Angora undoubtedly testifies to, and is a direct result of, the desire of the two Governments to persevere with and to develop a sincerely friendly policy, which has already not only proved useful for the two nations, but has also been a contributory cause to the maintenance of peace in Europe.

2. The personal contact which took place in Rome between representatives of the Turkish Government and the head of the Italian Government has certainly contributed to the reinforcement of the good relations between Italy and Turkey. The problems common to the two countries were frankly and exhaustively examined, while the fundamental importance of a harmonious and active collaboration between Rome and Angora, for the purpose of safeguarding the equilibrium in the Near East and the Eastern Mediterranean, obtained the most ample confirmation from the recent conversations.

3. Italy and Turkey have no conflicting interests; there are, on the contrary, definite reasons for active co-operation, and, in regard to maritime traffic and commercial exchanges, great developments may be hoped for.

4. The policy of Fascist Italy towards Angora is based on realistic foundations, the comprehension of which is facilitated by the clearness and sincerity which are the distinguishing features of its aims and deeds. That is why the new Turkey, intent upon perfecting its qualifications as a nation which keeps abreast of the times, determined to make the utmost of its natural resources and to employ usefully in its relations with other countries its considerable wealth of constructive and spiritual energy, looks with sympathy and trust towards Italy, understanding her pacific and loyal spirit and sharing her proven spirit of co-operation.

5. It is for these reasons that the commercial convention which has been signed at Angora in place of the provisional agreement of 1929 cannot fail to bear excellent fruit.

E 2472/161/44 — No. 21.

Sir P. Loraine to Sir John Simon.—(*Received April* 20.)

(No. 177.)

Sir, *Angora, April* 14, 1934.

I HAVE the honour, with reference to Sir G. Clerk's despatch No. 111 of the 31st March, 1933, to transmit to you the accompanying copy of a memorandum prepared by the acting commercial secretary to His Majesty's Embassy on the subject of the preliminary budget estimates for 1934–35.

2. It will be observed that estimates of revenue and expenditure exceed those of the current financial year by approximately £T. 3,300,000, and that to raise this sum and at the same time make good deductions, amounting to £T. 10,600,000, in certain revenues based on the actual yield this year, it is proposed to create additional sources of revenue calculated to produce the £T. 13,923,000 required.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 21.

Memorandum on the Draft Budget Estimates for the Financial Year 1934–35.

THE budget estimates for the forthcoming financial year have been drawn up by the Council of Ministers and now await examination by the Parliamentary Budget Commission before being presented to the Grand National Assembly.

Revenue during the coming financial year is estimated at £T. 173,800,000 (as against £T. 170,477,000 for the current financial year) and expenditure at £T. 173,780,727 (as against £T. 170,474,793), thus showing an increase in revenue of £T. 3,323,000 and in expenditure of £T. 3,305,933, and an estimated budget surplus of £T. 19,273.

Expenditure.

Ministry of National Defence.

The National Defence estimates are made up as follows:—

	Estimates, 1934–35. £T.	Current vote, 1933–34. £T.
Army	32,383,640	32,383,640
Aviation	943,000	943,000
Marine	3,815,560	3,765,760
Military factories ...	3,405,800	2,955,800
Cartographical section	603,505	603,505

In addition to these allocations, a sum of £T. 8,880,000 is included in the public debt estimates to cover Treasury bonds issued for military supplies.

The total estimates for military purposes amount, therefore, to £T. 50,031,505, or 28·8 per cent. of the total expenditure.

Public Debt.

The total estimate under this heading amounts to £T. 45,268,846, as against £T. 46,210,355 during the current financial year.

The new estimate includes an allocation of £T. 5,456,937 to cover the annuity due under the revised Ottoman Public Debt Agreement of April 1933.

The principal allocations in the estimates under the heading of Public Debt cover payments in respect of pensions, internal loan, and bonds for military supplies and public works.

Ministry of Public Works.

This estimate is slightly higher than the current vote (£T. 14,401,993, as against £T. 14,296,993).

Payments to the Swedish group, which is constructing the Filyos–Irmak and the Fevzipaşa–Diyarbekir lines, are shown in the estimate as follows:—

	£T.
Constructional work in 1934–35	100,000
Repurchase of bonds issued to cover work in 1933–34	3,298,663
	3,398,663

Payments in connexion with the construction of the Sivas–Erzerum Railway (by Turkish contractors) are estimated at £T. 4,626,000.

No provision is made in the Public Works estimate for port construction in 1934–35.

The remaining departmental estimates present no particular features of interest, except that for the Ministry of Economy, which includes a supplementary estimate of £T. 234,000 to cover the extension of the activities of the Export Trade Office and a further estimate of £T. 100,000 for gold-mine prospection.

Revenue.

On the basis of actual revenues received during the first nine months of the current financial year, the Treasury forecast of revenue for the whole year is £T. 163 million, as against the estimate of £T. 170,477,000, the deficit being due principally to a falling off in receipts from customs duties, monopoly taxes and live-stock taxes. The deficit, as far as the current year is concerned, will no doubt be covered, as on previous occasions, by a general scaling down of departmental expenditure.

The Council of Ministers was, nevertheless, faced with the prospect of covering, during the coming financial year, expenditure estimated to reach an irreducible minimum of over £T. 173 million, and in order to raise the increased revenue required it is proposed to create the following new sources:—

	Increased yield of new revenue. £T.
Abolition of exemptions from transaction tax hitherto granted to certain Turkish factories	2,300,000
Increase in internal consumption tax on sugar	3,300,000
Increase in electric and gas-lighting tax	650,000
Creation of petrol and petroleum monopoly	1,350,000
Increase in the scope and incidence of profits and income tax	2,500,000
	10,100,000
Estimates of increased revenue from other sources ...	3,823,000
Total increase	13,923,000

The requisite total, on the revenue side, of £T. 173,800,000 is attained as follows:—

	£T.
Budget estimates for the current financial year	170,477,000
Less: Deduction made in certain revenues based on the actual yield this year	10,600,000
	159,877,000
Plus: Additional revenue from new sources or increased estimates ...	13,923,000
Total	173,800,000

April 10, 1934.

N. S. R.

[E 2473/2260/44] No. 22.

Sir P. Loraine to Sir John Simon.—(Received April 20.)

(No. 178.)

Sir, *Angora, April* 14, 1934.

I HAVE the honour to inform you, with reference to my despatch No. 165 of the 6th instant, that Tevfik Rüştü Bey's reply to Mahmut Esat Bey's interpellation regarding the speech of Signor Mussolini, and his account of the firm attitude of the Turkish Ambassador in Rome towards Signor Suvich and Signor Mussolini, have given great satisfaction to Turks in Angora.

2. It will be noticed that, in the latter part of his reply, Tevfik Rüştü Bey expresses his conviction that the Grand National Assembly and the nation will not shrink from any sacrifice necessary to make their country strong, ready for any eventuality, and capable of preventing the most powerful outside force not only from laying hands on Turkish territory, but even from casting covetous eyes on it.

3. This seems to me obviously the first warning to the Turkish taxpayer that he will have to foot the bill for an increase of armaments—always, no doubt, of a defensive character.

4. The speech has been followed by the departure from Angora, on the 7th April, of the Gazi for Smyrna and district. After visiting Manisa and Menemen, he went by motor car to Foça, and sailed for Long Island, and thence to Smyrna. From Smyrna he has, up to the time of writing, paid visits to Kuş Adasi (Scala Nova), Seferihisar and Sigacik. Press publicity is given to the fact that, in each place, he has inspected garrisons and military establishments, and conferred with military, naval and air authorities.

5. His tour is generally interpreted as a riposte to Signor Mussolini's references to fields of Italian expansion in Asia.

6. I am sending a copy of this despatch to His Majesty's Ambassador in Rome.

I have, &c.
PERCY LORAINE.

[E 2717/1247/89] No. 23.

Mr. Cowan to Sir John Simon.—(*Received May* 1.)

(No. 8.)
Sir, *Aleppo, April* 3, 1934.

WITH reference to my despatch No. 2 of the 27th February, I have the honour to report that the contract for the first 18 kilom. of the Tell Ziwan–Mosul line has been given to a Beirut contractor, M. Samaho. This section is to be completed in six months, and work was supposed to begin on the 1st April. The award for the second section is to be made between the 10th and 15th April.

2. I am informed that the object of this extension of the railway line is not to develop the port of Alexandretta, but of Tripoli. The distance from Aleppo to Tripoli is 45 kilom. longer than to Alexandretta, but the rate charged will be the same for both ports, and it is confidently believed that harbour works are to be started at Tripoli. Seeing that the railway to Alexandretta passes through Turkish territory and that the port itself is very near the Turkish frontier, such a policy is only natural, but it has greatly alienated the sympathies of the population of the sanjak.

3. I have paid particular attention to the question of the general feeling in the sanjak towards the French mandate, and have come to the conclusion that it is very strongly anti-French. The population have more in common with Turkey than with Syria, especially in language, and the neglect of the sanjak by the mandatory Power, especially the failure to develop Alexandretta, the finest natural harbour on the coast, has increased this pro-Turkish sentiment. It is commonly believed that France has a secret agreement with Turkey to return the Sanjak to her, but nobody has any idea of what the French hope to obtain in return for this concession. Occasional denials on the part of the French and Turkish authorities of the existence of such a policy are not believed. Of course, the transfer would be done in a correct manner, through the League of Nations, as a result of a plebiscite. There is no doubt that in Alexandretta itself public opinion is overwhelmingly in favour of union with Turkey. In Antioch the younger generation also favour such a union, but Antioch is a stronghold of clericalism and large estates, and the clericals and landed proprietors mistrust modern Turkey as anti-Islamic and democratic. I believe, however, that the balance of opinion would favour a transfer to Turkey. In the country districts, with the exception of the Armenian population of Kirik Khan, the feeling is decidedly pro-Turkish.

4. That such a transfer would be beneficial to the town of Alexandretta cannot be doubted. This port is the natural outlet from and entry into Anatolia, with which it already has railway connexions, and it could be made a valuable naval base.

5. If the connexion with Tripoli is established, Aleppo would suffer to a certain extent, though much less than Alexandretta. It would lose much of its present importance as a distributing centre, but would remain an important

transit place and railway junction. The natives of Aleppo have long been renowned as craftsmen, and although modern developments have left them to some extent stranded, the manufacturing instinct is still there, and it is possible that in the future Aleppo may attain eminence as a large manufacturing centre, provided that an outlet can be found for the goods manufactured.

6. I am sending copies of this despatch to the Department of Overseas Trade, His Majesty's High Commissioner at Jerusalem, His Majesty's Ambassador at Bagdad, and His Majesty's consular officers at Beirut, Damascus and Alexandretta.

I have, &c.
M. PATRICK COWAN.

[E 2796/2796/44] No. 24.

Sir P. Loraine to Sir John Simon.—(*Received May* 4.)

(No. 190.)
Sir, *Angora, April* 23, 1934.

I HAVE the honour to inform you that the *Asama*, flying the flag of Vice-Admiral Hajime Matsushita, M.V.O., and *Iwate*, Japanese cruisers at present employed as sea-going training ships for cadets, arrived at Constantinople on the morning of the 12th April, the visit being regarded as official. The Turkish cruiser *Hamidiye* had already anchored in the Bosphorus and remained there during the Japanese visit, a courtesy not usually extended to foreign warships by the Turkish authorities.

2. An extensive and well-organised programme of official and other ceremonies had been previously arranged by the Japanese Embassy in conjunction with the local officials, and duly promulgated in the press. The programme contained one or two novel features.

3. The vice-admiral, accompanied by his staff and a detachment of seamen, paid the usual visit to the Taksim Monument and laid a wreath with musical honours. By previous arrangement with the Turkish authorities the detachment carried arms, a privilege not accorded to the seamen accompanying the British Naval Commander-in-chief in 1929, nor, so far as is known, to those of foreign navies carrying out similar duties.

4. A wreath was also laid by the flag lieutenant to the vice-admiral on the grave of a Turkish naval officer, Lieutenant-Commander Sevket Bey, who died recently in Japan, where he had been lent for instruction to the Japanese navy, and had served for two years. At the time there were fantastic rumours in naval circles here that his death had been deliberately brought about by the Japanese authorities on the suspicion that he was in possession of naval secrets in connexion with their submarines. His body was sent back to Turkey and he was given an imposing official funeral in Constantinople.

5. An excellent programme of music, performed by the ships' bands in the public park at Constantinople, was broadcast the following evening, and displays of Japanese fencing, wrestling, jiu-jitsu, &c., were given at various sporting clubs. The cadets paid the customary visit to the Halki Naval School, and a large number of Turkish cadets and midshipmen visited the Japanese ships.

6. The vice-admiral and his officers gave a reception aboard his flagship on the afternoon of the 15th April, which was largely attended, especially by Turkish military and naval officers. Although these ships are of an obsolete type, all guns and instruments were carefully screened from view, and visitors were not encouraged to wander from the places specially set apart for their reception. Instead of the usual "thé dansant," a programme of wrestling, fencing, &c., was provided for and much appreciated by the guests, and there was also a cinema performance, which gave attractive views of Japan. The admiral and his officers were extremely courteous in their attentions to their numerous guests. The same evening a reception and dance was given by the Ambassador at the Japanese Embassy.

7. The vice-admiral and his staff paid a short visit to Angora, where, in the absence of the Gazi at Smyrna, they were received by Ismet Pasha and other Ministers.

8. The visit, which appears to have been most successful, and was certainly marked by great cordiality on the part of the Turkish authorities, terminated on the afternoon of the 16th April, when the *Asama* and her consort sailed for the Piræus.

9. I am sending a copy of this despatch to His Majesty's Ambassador at Tokyo.

I have, &c.
PERCY LORAINE.

[E 2799/2668/44] No. 25.

Sir P. Loraine to Sir John Simon.—(Received May 4.)

(No. 201.)

Sir, *Angora, April 26, 1934.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 128 of the 12th April, 1933, to transmit to you the accompanying fourteen copies of the report of the Straits Commission for the year 1933.(1)

2. It will be seen that the report again records (on p. 10) the opinion of the commission that the levying of sanitary dues on vessels passing through the Straits in transit is a breach of the stipulations of the Straits Convention.

3. You may wish to draw the attention of the Admiralty to the statement contained in pp. 8 and 9 of the report, to the effect that the stations of Seddul-bahr and Buyuk Liman, at the Dardanelles and Black Sea ends of the Straits respectively, have had difficulty in identifying foreign warships leaving the Straits in foggy weather, and that such ships have been requested to communicate their identity by wireless as they do when entering the Straits. Although this request has not been generally acceded to, the Italian and Roumanian admiralties have agreed to adopt the desired procedure, and the commission expressed the hope that the other admiralties concerned will take a similar decision.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 2802/2802/44] No. 26.

Sir P. Loraine to Sir John Simon.—(Received May 4.)

(No. 204.)

Sir, *Angora, April 27, 1934.*

I HAVE the honour, with reference to paragraph 3 of my Saving telegram No. 20 of the 27th March, to inform you that the Swedish Chargé d'Affaires has informed a member of my staff that he recently learned from the local representative of the Swedish armament firm Bofors that the Turkish Government would shortly bring forward a supplementary budget for the purchase of armaments to a total value of £T. 30 million, including ten 21-cm. guns costing £T. 2,500,000. Payment would be spread over five or six years.

2. M. Grafström also stated that the Swedish Government were having difficulties with the Turkish Government owing to the latter's wish to include in their clearing agreement with Sweden the value of armaments bought from Swedish firms two or three years ago, which had not yet been paid for.

3. I am sending copies of this despatch to His Majesty's Minister at Stockholm and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 2805/1204/44] No. 27.

Sir P. Loraine to Sir John Simon.—(Received May 4.)

(No. 208.)

Sir, *Angora, April 27, 1934.*

IT is a fundamental doctrine of the Popular party, *i.e.*, of the present Turkish Government, that it is "revolutionary," and, arising out of this, that it must ever remind all Turkish citizens that they must be "revolutionary" too. In practice the Turkish Government is a most respectable and conservative body, strictly observant of all the conventions. The citizens can be as revolutionary as they desire, provided they do nothing repugnant to the ideas of those who founded the Turkish Republic. They cannot be revolutionary in the sense of wishing to change the present established order.

2. There are some signs that the doctrines of the revolutionaries of 1919–24 now begin to seem somewhat fusty to the younger generation. Recep Bey, secretary-general of the Popular party, has recently been giving a series of lectures on the "Turkish Revolution" to the students of the Istanbul University. At one of his lectures he unwisely invited questions. His replies were not considered satisfactory and excited the disapproval of the students. Recep Bey silenced them by exerting all his authority, but failed to content them. I understand that the attitude of the students is due to the influence exercised over them by Nazim Hikmet, the Communist poet, who, as reported in my despatch No. 55 of the 3rd February, was recently condemned to two years' imprisonment, and by one Tevfik Celal, a student-demagogue of great personality and oratorial gifts, who led the students on the occasion of the Wagons-Lits incident (reported in Sir George Clerk's despatch No. 78 of the 2nd March, 1933) and of the counter-demonstration in Constantinople, which followed the incident at the Moslem cemetery at Razgrad, Bulgaria (reported in Sir George Clerk's despatch No. 146 of the 27th April, 1933). He is now far from Constantinople, as he has been sent by the Government to be a subordinate municipal official in Kars.

3. In their idol-worship of Nazim Hikmet—a true Communist—the students have not been led into sharing his Communist ideas, but both he and Tevfik Celal brought them to consider that Angora is in danger of becoming "reactionary" and that the students are the true republicans. The students show a disposition to consider Angora out of touch with the country, too self-complacent in its mountain fastness and somewhat reluctant to move with the times.

4. The "Young Turks" considered Abdul-Hamid and Constantinople out of touch with the Turkish nation, and Salonica marched on Constantinople to unify the nation and the Government. The feeling among the students seems to be that as Salonica marched on Constantinople, Constantinople may one day have to march on Angora.

I have, &c.
PERCY LORAINE.

[E 2874/1345/44] No. 28.

Sir P. Loraine to Sir John Simon.—(Received May 6.)

(No. 34.)

(Telegraphic.) *Angora, May 6, 1934.*

TURKISH Minister for Foreign Affairs told counsellor on 3rd May that certain provisions of Straits Convention no longer corresponded to general world conditions. The world trend was towards rearmament. Turkey would follow the current. If the world tended to disarmament, Turkey would leave things in Turkey as they are. If nations rearmed, Turkey was entitled to behave as they. She would not accept different treatment and would remilitarise the Straits. Bulgaria was rearming. Ægean Islands were being demilitarised. He implied that trend elsewhere was towards rearmament. Turkey had now everything ready for remilitarising the Straits in twenty-four hours, and on the signal being given they would be remilitarised in that time. No legal arguments or

words would stop her. He said Turkey was strong enough to disregard words and even force, which, however, no one could or would employ against her. She knew her strength and when she decided on any action she knew she could carry out her decision. He had already spoken in a similar sense to the French Ambassador.

He added he would shortly make a public pronouncement on the subject. I surmise he will do this at Geneva, where he is going shortly taking Bucharest and Vienna on the way.

It may be taken then as certain that Turkey has decided in view of recent trend of nations towards rearmament to remilitarise the Straits.

E 3000 1345 44 No. 29.

Sir P. Loraine to Sir John Simon.—(Received May 9.)

(No. 6.)
(Telegraphic.) *Constantinople, May 9, 1934.*

ANGORA telegram No. 34.

French Ambassador has confirmed to Mr. Morgan in Angora the fact that Turkish Minister for Foreign Affairs used similar language to him in regard to Straits.

French Ambassador had replied to Minister for Foreign Affairs that France consistently opposed ex-enemy rearmament. Therefore she must object to a remilitarisation which sought its justification in, and compared itself with, such rearmament. Furthermore, demilitarised zones were not a sign of inferiority. France herself had such zones in Africa and on Swiss frontier.

Ambassador considers Turkish decision grave.

He has reported at length to his Government, and has urged them to stiffen their resistence to ex-enemy rearmament, seeing that acquiescence in rearmament leads to-day to unwarrantable Turkish exploitation of such acquiescence and to-morrow to similar consequences in other countries.

It will be seen that the matter interests Ambassador partly as a violation of Treaty of Lausanne, and possibly more directly as furnishing a good argument for strengthening opposition to German rearmament.

I have not been able to arrange to see Minister for Foreign Affairs here on his way through to Bucharest. In view of terms of your despatch No. 417 of 1933 I am instructing counsellor merely to tell Secretary General of Turkish Ministry for Foreign Affairs that I have reported Minister for Foreign Affairs' language, but to add, however, that its serious character has not escaped me, inasmuch as it foreshadows unilateral action by Turkey in a matter which is of common concern to all signatories of the Treaty of Lausanne.

E 3001 1345 44 No. 30.

Sir P. Loraine to Sir John Simon. (Received May 9.)

(No. 7.)
(Telegraphic.) *Constantinople, May 9, 1934.*

ANGORA telegram No. 34 and my immediately following telegram.

I have been able to ascertain from Italian Ambassador that Turkish Minister for Foreign Affairs has not held any similar language to him.

Straits question was more than once the subject of conversation between Italian Ambassador and Minister for Foreign Affairs during 1933. Former consistently maintained then that qvestion was an international one and was subject to international guarantees, but threw out the suggestion that the present form of international guarantee might, perhaps, be replaced by bilateral guarantees in agreement with the principal Powers concerned.

Italian Ambassador is aware of recent developments, is clearly opposed to the notion of remilitarisation, and hopes that the signatories of the Four-Power Pact, or at least United Kingdom, France and Italy, will show a united front in opposing Turkish proposals. Despatch follows.

[E 2874/1345/44] No. 31.

Sir John Simon to Sir P. Loraine (Angora).

(No. 35.)
(Telegraphic.) R. *Foreign Office, May 9, 1934.*

YOUR telegram No. 34 of 6th May: Turkey and the Straits Convention.

Tevfik Rüştü's statement naturally makes a most unpleasant impression. Should Turkey attempt to act as he has indicated, issue would not be that of Turkey endeavouring to obtain modification of Straits Convention by agreement, but that of sanctity of Lausanne settlement, which Turkey would be deliberately tearing up on ground that she is strong enough to disregard "words," and even force.

Please represent to Minister for Foreign Affairs—if he has not already started—dangers of course on which he apparently proposes to embark. You should remind him as amicably as may be possible that Turks have repeatedly congratulated themselves that Lausanne was an agreed and not an imposed settlement, and emphasise that if Turkey were to repudiate any of its provisions unilaterally, foundations of her international relations must surely suffer. At the same time, her reputation for sincerity and loyalty, which has been growing in recent years, would receive a severe blow, and her honour and prestige be seriously impaired. You should add that I find it difficult to believe that Turkey will now at one blow destroy all that has been built up by the good sense of her foreign policy and by her respect for her international engagements, and that, as a sincere friend of his country, I hope that you will be able to inform me that the fears engendered by this statement of his intentions are unfounded.

E 2874 1345 44 No. 32.

Sir John Simon to Sir P. Loraine (Angora).

(No. 36.)
(Telegraphic.) *Foreign Office, May 9, 1934.*

MY immediately preceding telegram.

If Minister for Foreign Affairs should unfortunately confirm previous statement of Turkey's intentions, it would be useful to know whether Russia has connived at this decision. If so, I would propose to represent to Soviet Government danger from their own point of view of encouraging general breaking of treaty engagements in Eastern Europe.

E 3072 1345 44 No. 33.

Sir P. Loraine to Sir John Simon.—(Received May 14.)

[By Bag.]

(No. 2. Saving.)
(Telegraphic.) *En clair.* *Constantinople, May 10, 1934.*

MY telegrams Nos. 6 and 7 from Constantinople.

I was nevertheless able to see Minister for Foreign Affairs this morning in his ship for an hour before he sailed.

As regards remilitarisation, I used language foreshadowed in my telegram No. 6. I added that, until I had received your instructions, I was not in a position to discuss the substance of the matter with him, more especially as the subject was one that you yourself had discussed with him last year at Geneva and had made your own. I did wish, however, to utter a personal warning about the undesirability of unilateral action.

At a later juncture in the conversation I expressed the strong personal hope that Turkey would be careful not to separate herself from His Majesty's Government and the United Kingdom in any matter connected with the Straits. I added that I should be very sorry if Turkey had a bad press in England, but that unilateral action connoting a lack of respect for treaty engagements was the very thing to produce it.

His Excellency, on the other hand, was more than ready to discuss the matter *in extenso;* and did so. The time was not wasted. I will not attempt to reproduce his language in detail, but will indicate its salient points, which have considerably modified the impression I had hitherto gathered of what is in his mind.

His main theme is that Turkey cannot afford to have existing situations and especially the equilibrium of forces disturbed, as they are now being disturbed elsewhere, in some cases in defiance of treaties, to her detriment. If others are being allowed or are taking latitude, Turkey must receive equal treatment.

In what he said to Mr. Morgan, there is no question whatever of occupying or remilitarising the Straits zones, either at the Black Sea end or at the Ægean end. What is now preoccupying the Turkish Government is the demilitarised zone in Thrace on the Turco-Bulgarian frontier.

It is Bulgarian rearmament that is raising apprehension. That rearmament started five years ago; it is now proceeding apace, thanks to the importation of armament from Italy; it is contrary to the Treaty of Neuilly; it reopens the possibility of a Bulgarian *coup de main* on the Straits, a risk which Turkey cannot afford to run.

In regard to the Thracian zone, the Turkish Government does contemplate unilateral action, unless other means can be found to arrest the change in the play of forces to her prejudice. Before the situation becomes definitely disadvantageous to her, Turkey must act and if necessary will act. She has no other recourse (I think here his Excellency was not mindful of article 4 of the convention of 24th July, 1923, regarding the Thracian frontier). His Excellency realises that the Powers would at once separate the antagonists, and call him off; he would be delighted to obey the summons. His objective would have been secured. The Powers would be obliged to consider the matter.

The question of the Thracian zone was quite separate in his mind from that of the Straits zones. There was a latent threat to the Straits in the Italian naval base in the Dodecanese. The two questions *might* become linked together, *e.g.*, by an Italo- Bulgarian alliance. For the present they could be regarded separately.

Turkey's interests as regards the liberty of the Straits were solid with those of her cosignatories of the Straits Convention, and especially with British views and interests.

Alongside of that question was that of the defence of the Straits to which Turkey could not remain indifferent and for which she must ultimately provide. From the Black Sea there was no threat. From the Ægean there was a possible threat.

If Turkey could obtain the guarantees she felt necessary for her security by agreement, nothing would suit her better.

I told his Excellency that he would quite likely be seeing you before I did, as he was going to Geneva, and that he would doubtless have an opportunity to explain his views to you personally. He begged me nevertheless to acquaint you with them.

[E 3273/1345/44] No. 34.

Mr. Morgan to Sir John Simon.—(*Received May* 18.)

(No. 245.)

Sir, *Angora, May* 12, 1934.

I HAVE the honour, with reference to Sir Percy Loraine's telegram No. 34 of the 6th May, to inform you that the Turkish Minister for Foreign Affairs spoke to the French Ambassador in terms similar to those used to me. It is now clear, since Sir Percy Loraine's interview at Constantinople with Tevfik Rüştü Bey on the 10th May, that Tevfik Rüştü Bey had in mind the Thracian demilitarised zone, and not the zone of the Straits, but Tevfik Rüştü did not make this clear to me. The French Ambassador, with whom I have spoken since, affirms that, while Tevfik Rüştü Bey spoke to him of Thrace, the Straits zone was also touched on, and was present in Tevfik Rüştü Bey's mind.

2. I asked the Italian Ambassador whether Tevfik Rüştü Bey had spoken to him of remilitarisation. He replied: "No." He went on to say that he had had several talks with Tevfik Rüştü Bey during the course of 1933 about the

Straits. He had gathered from these talks that Tevfik Rüştü Bey attached great importance to the attitude of Bulgaria. According to Tevfik Rüştü Bey, there were two aspects of the Straits question—the maritime and the terrestrial. From the latter aspect Bulgaria was all-important; it could threaten the Straits seriously, and more so if it were working in conjunction with a great Power. Tevfik Rüştü Bey, in developing this theme to M. Lojacono, said that if Bulgaria, working with a great Power, threatened the Straits, Turkey would at once close the Straits to all, even neutrals. Later, Turkey would allow neutrals to use the Straits on condition that they gave Turkey sufficient guarantees. Tevfik Rüştü Bey assured M. Lojacono that Turkey had all the necessary heavy artillery (but M. Lojacono doubted this) ready on the fringe of the Straits demilitarised zone, and the necessary roads, in good condition, to enable Turkey to remilitarise the zone in a few hours.

3. In reply, M. Lojacono objected to Tevfik Rüştü Bey that the Straits question was an international one, subject to international guarantees, and that Italy was against any disturbance of the provisions of the Straits Convention. If Turkey did not like the present form of international guarantee, she could perhaps replace it by bilateral guarantees with the principal Powers concerned. Tevfik Rüştü Bey seemed to like this idea.

4. Commenting on Turkey's present intentions, M. Lojacono gave it as his opinion that all the efforts made by Turkey to induce Bulgaria to sign the Balkan Pact had their *fons et origo* in Turkey's wish to have the Straits as immune as possible from attack. M. Lojacono made it quite clear to me that he was very opposed to the notion of the Turks remilitarising the Straits, and said that he hoped that the signatories of the Four-Power Pact at least would show a united front of opposition to the Turkish proposals. Certainly England, France and Italy should unite in rejecting the Turkish proposals. He added that acceding to the Turkish proposals would mean, *inter alia*, placing the keys of the Straits in purely Turkish hands, which meant placing them in Russian hands. M. Lojacono ended by making allusion to the wave of Italophobia now sweeping over the Turkish Government, manifesting itself in special fashion since M. Mussolini's speech.

5. The French Ambassador, on learning from Tevfik Rüştü Bey of Turkey's intentions, made it clear that his Government objected to remilitarisation. In speaking of the matter subsequently to me, M. Kammerer showed that he had impressed on his Government that they should stiffen their resistance to ex-enemy rearmament, seeing that Turkey was putting forward as her excuse for remilitarisation the plea that, as the current was setting, in other countries, towards rearmament, Turkey must be in the fashion and follow the stream. M. Kammerer told me that there was perhaps some excuse for Turkey's proposed action, and that was Bulgarian rearmament, about which M. Kammerer claimed to have definite and authentic information.

I have, &c.
JAMES MORGAN.

P.S.—I am sending a copy of this despatch to His Majesty's Minister at Sofia.

J. M.

[E 3071/1345/44] No. 35.

Sir John Simon to Consul, Geneva.

(No. 35.)
(Telegraphic.) *Foreign Office, May* 18, 1934.

FOLLOWING for Mr. Eden:—

"Sir P. Loraine's telegram No. 2, Saving, of 10th May from Constantinople suggests that Turkish Minister for Foreign Affairs, finding that his announcement, reported in Angora telegram No. 34 of 6th May, of Turkey's intention to disregard provisions of Straits Convention and remilitarise Straits, had created bad impression, decided to change his ground and to represent that he was only referring to demilitarised zone in Thrace. Colour is lent to this suggestion by Constantinople telegram No. 6 of 9th May.

"Salient point, however, is that in each case language seems to have amounted to declaration that Turkey, for various obscure and inadequate reasons, would consider herself justified in violating provisions of Lausanne settlement. In these circumstances I consider that Tevfik Rüştü Bey should be left in no doubt about attitude of His Majesty's Government towards such a suggestion. As Tevfik Rüştü left Turkey before action could be taken on my telegram No. 35 of 9th May to Angora, I shall be glad if you will take an early opportunity, whether Tevfik Rüştü Bey raises the matter or not, of speaking to him in the sense of that telegram.

"French Embassy here are suggesting to Quai d'Orsay that M. Barthou should be instructed, after consulting you, to speak to Tevfik Rüştü in a similar sense."

(Addressed to Geneva, No. 35. Repeated to Angora, No. 39, and Paris, No. 43, Saving.)

[E 3341/2802/44] No. 36.

Mr. Morgan to Sir John Simon.—(Received May 23.)

[By Post.]

(No. 34. Saving.)
(Telegraphic.) R. *Angora, May 18, 1934.*

THE Turkish press announces that a Cabinet meeting attended by President of the Republic and Chief of General Staff took place on 15th May to consider foreign affairs and reports from Minister for Foreign Affairs about his conversations in Bucharest and Belgrade, and that on 16th May Ismet Pasha, at a meeting of parliamentary group of Popular party, urged the necessity of increasing the budget of national defence, pointing out that as international situation had affected defence budgets of several States Turkey also must take precautionary measures.

The group unanimously approved proposal of Prime Minister.

[E 3504/250/44] No. 37.

Viscount Chilston to Sir John Simon.—(Received May 29.)

(No. 242.)
Sir, *Moscow, May 21, 1934.*

I HAVE the honour to inform you that a Turkish military mission, headed by General Emin Pasha, and a delegation consisting of ten airmen, led by Lieutenant-Colonel Djelal Bey and flying five military aeroplanes, visited Moscow for the May-day celebrations.

2. The airmen arrived at Moscow Central Aerodrome on the 23rd April, where they were welcomed by M. J. A. Alkanis, chief of the military air fleet of the Soviet Union, members of the Revolutionary War Council and the Turkish Ambassador. On the 26th April they were received by M. Voroshilov, People's Commissar of the Red army and navy and chairman of the Revolutionary and Military Council of the U.S.S.R. They also visited the Tenth-Anniversary-of-October plant and the central house of the Red army, where they inspected various study rooms, laboratories, rest rooms and the Red army museum. They were also received by M. Mezheninov, Assistant Chief of Staff of the Red army. They took part in the flight of aeroplanes which concluded the military part of the parade on the 1st May.

3. The military mission left Istanbul on the 23rd April and arrived at Odessa on the 25th April. On his arrival there General Emin Pasha gave an interview, in the course of which he said: "I am happy to come to the friendly Soviet country in the capacity of a representative of the Turkish army. When the sun of the October revolution rose on the horizon, I was on the Caucasian frontier, and had the opportunity of seeing how the revolution regenerated those

areas. The sincere friendly relations between Turkey and the Soviet Union have grown continuously stronger since that time. This friendship, born in struggle, is firm and unchangeable precisely because it aims, above all, at the strengthening of peace."

4. The missions remained in Moscow until the 9th May, when they left for Turkey via Kharkov. During their stay in Moscow they were fêted in the usual manner and the airmen were shown a number of technical establishments. They also paid a visit to Leningrad. The visit seems to have passed off in the atmosphere of cordiality that was to be expected, and I have little doubt that the visitors were duly impressed by the May-day parade.

I have, &c.
CHILSTON.

[E 3603/3272/89] No. 38.

Mr. Morgan to Sir John Simon.—(Received June 1.)

(No. 252.)

HIS Majesty's representative in Turkey presents his compliments to His Majesty's Secretary of State for Foreign Affairs and has the honour to transmit herewith copy of despatch No. 45 from His Majesty's acting consul, Mersin, respecting Turco-Syrian relations.

Angora, May 23, 1934.

Enclosure in No. 38.

Acting Consul Catton to Mr. Morgan.

(No. 45.)
Sir, *Mersin, May 13, 1934.*

WITH reference to your despatch No. 30 of the 30th ultimo, I have the honour to report that the Turco-Syrian Permanent Frontier Commission recently assembled at Alexandretta. The Turkish delegation was under the presidency of Akif Bey, Vali of Gazi Antep; the other members of the delegation were Major Kerim, Hilmi and Necati Beys. After the commission had completed its work at Alexandretta the Turkish delegation went to Antioch and it is reported that 20,000 people turned out to welcome them; the streets were strewn with flowers, Turkish flags were flown, the visitors were greeted with cheers of "Long live the Gazi!" and all shops were closed for the occasion. The delegation was accommodated at the Tourist Hotel, where Akif Bey received many of the leading local Turks and a crowd outside sang Turkish songs.

2. The Syrian press have published severe articles against the Turkish delegation's visit and the demonstration, some newspapers saying that if the Turks of Antioch want to come under Turkish rule they can go to Angora, but that the Arabs will not yield their town to the Turks and will defend it with all their power. Another newspaper says that the Turkish students who are sent by the Turkish Government to Syrian universities are only sent to spread Turkish propaganda.

3. It is reported that the Arabs have addressed a petition to the French High Commissioner for Syria complaining about the recent demonstration caused by the visit of the Turkish delegation, and asking why the French authorities permitted it to take place.

I have, &c.
B. J. CATTON.

[E 3604/250/44] No. 39.

Mr. Morgan to Sir John Simon.—(*Received June* 1.)

(No. 256.)
Angora, May 25, 1934.

Sir,

I HAVE the honour to inform you that a small squadron of Turkish aeroplanes has just returned from Moscow, after having flown there, by invitation, to take part in the May Day celebrations, and thus reciprocate the attendance last year of certain Russian aviators at the celebrations of the tenth anniversary of the Turkish Republic.

2. The squadron set out from Eskişehir on the 20th April and landed at Sinop, where a special landing-ground had been prepared. The squadron consisted of five Brèguet machines under the command of Lieutenant-Colonel Celal Bey. The officers accompanying him were Captains Enver and Ihsan and Lieutenants Ismail Hakki, Vehbi Hakki, Tevfik and Ceydet. According to press accounts, the squadron left Sinop on the 21st April, and crossed the Black Sea to Sebastopol in formation in one hour and twenty minutes. On the second day they reached Kharkoff and on the third Moscow, where they took part in the flying demonstrations on the 1st May. They remained fifteen days in Moscow visiting numerous important factories and making a trip, not by air, to Leningrad. On the 9th May they flew back to Kharkoff and inspected numerous factories in the district, and on the 11th to Saparozi and saw the Dnieper electric works. On the 13th they reached Odessa and on the 14th Bucharest. On the 18th May they left Bucharest, where Captain Enver seems to have excited the admiration of Roumanian airmen by his efficiency and daring in sky acrobatics, and arrived at Eskişehir the same day.

3. This is the first flight of the kind to have been executed by Turkish airmen.

4. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow and to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 3607/2802/44] No. 40.

Mr. Morgan to Sir John Simon.—(*Received June* 1.)

(No. 260. Confidential.)
Angora, May 26, 1934.

Sir,

I HAVE the honour, with reference to my telegram No. 34, Saving, of the 18th May, to inform you that, according to confidential information received by the commercial secretary to His Majesty's Embassy from a reliable source, the Ministry of National Defence has been authorised, by a decree which will not be made public, to incur additional liabilities to the amount of £T. 49 million, this sum to be allocated in the following manner:—

	£T. million.
To the purchase of ships, repairs to and construction of naval bases	46
To the construction of barracks	3

2. According to Colonel Woods's informant, the ships to be purchased will be submarines, but other units may also be acquired. The naval bases referred to are apparently to be additional to Gölcük, in localities not yet disclosed.

3. The liabilities thus incurred will, it is stated, be met by the allocation in future budgets, over a period of seven years, of supplementary credits to be derived from new sources of revenue. The credits will be published under a general heading in the budget, but no details will be furnished.

4. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's Minister at Athens.

I have, &c.
JAMES MORGAN.

[E 3631/1345/44] No. 41.

United Kingdom Delegate, Geneva, to Foreign Office.—(*Received June* 2.)

(No. 66.)

THE United Kingdom delegate to the League of Nations presents his compliments, and has the honour to transmit copy of a despatch addressed to His Majesty's representative at Angora recording a conversation between the Secretary of State for Foreign Affairs and Tevfik Rüştü Bey, respecting the demilitarisation of the Straits.

Geneva, June 1, 1934.

Enclosure in No. 41.

Sir John Simon to Mr. Morgan (*Angora*).

(No. 1.)
Geneva, May 31, 1934.

Sir,

TEVFIK RÜŞTÜ BEY spoke to me to-day about the question of the demilitarisation of the Straits under the Treaty of Lausanne. He said that English newspapers had made much of the rumour that he was now proposing to raise this question at Geneva and that he was embarrassed by these reports being telegraphed to Turkey. He did not consider that it was he who had first raised this question; it was impliedly raised by the proposals in the British memorandum to abolish heavy mobile artillery and military aeroplanes. Without such instruments Turkey could not defend the Straits, and that was why the question presented itself. I said that I had not observed the newspaper statements to which he referred, but that if, as I gathered, he had no intention of bringing the matter forward in present circumstances at Geneva, I should not fail to let the Press Department of the Foreign Office know this and they could probably do something to see that references to the contrary were dropped. But if the whole question, in his mind, would only arise in the event of heavy artillery and military aeroplanes being abolished, would not it be better to leave the question alone altogether, for a great deal would have to happen before this contingency arose? Tevfik Rüştü Bey said that this was his intention, though, of course, he must reserve his rights for the future. I said that I was glad that the question might be regarded as dropped at any rate for the time being, but I must add that in any event we should take a grave view of unilateral repudiation of an article in the Treaty of Lausanne. Turkey had often taken justified satisfaction in the fact that the Treaty of Lausanne was a voluntary engagement, and her own reputation and standing would certainly suffer if the idea got abroad that she was capable of even contemplating disregard of such a treaty by unilateral action. His Excellency assured me that this was not in his mind, and we parted mutually agreeing that the question need not be regarded as having actually arisen, while if it arose in the future it was understood that all rights were reserved on either side.

I am, &c.
JOHN SIMON.

[E 3652/3652/44] No. 42.

Sir W. Selby to Sir John Simon.—(*Received June* 4.)

(No. 110.)
Vienna, May 28, 1934.

Sir,

LEARNING that Tevfik Rüştü Bey was in Vienna, and having met him on frequent occasions at Geneva, I called upon him at his hotel on the 19th instant.

2. He told me he had come to Vienna for the purpose of treatment for his wife's eyes, and that his stay in this capital had no other purpose. He was in effect actually on his way to Geneva, but he intended, as he did not as yet know M. Barthou, to go there via Paris, so that he might make M. Barthou's acquaintance before the meeting at Geneva on the 29th instant.

3. Discussing the position in Austria, Tevfik Rüştü Bey said he had just received a visit from Chancellor Dollfuss, and, in response to the latter's enquiry as to his view of the present situation, had told the Chancellor it seemed to him there were two danger spots, firstly the Far East and secondly Austria. The potentialities of dangerous developments from either of these areas were very great. The Chancellor, he said, had not dissented from his view. Speaking of the position in Austria itself, Tevfik Rüştü said it seemed to him there was an atmosphere of greater confidence, and that on the surface Vienna, from what he could see, seemed to be prosperous. I told Tevfik Rüştü that the outward appearance of a great capital was not always the best index of the true position. Austria had still serious economic difficulties to confront. Nevertheless, there had been, according to the latest figures, a slight improvement in trade, and, if only real confidence could be restored and the political issue settled, Austria might be in sight of seeing better times.

4. Tevfik Rüstü told me that he had seen M. Litvinov on his way through Vienna. M. Litvinov had stopped in Vienna with the special object of seeing him. This, Tevfik Rüstü said, had given him great pleasure, as he had not had the opportunity of seeing M. Litvinov for some time.

5. Three days later I met Tevfik Rüştü at a dinner-party given by the Soviet Minister in his honour, which Chancellor Dollfuss attended. He there told me that his relations with Russia were unexceptionable, and the cordiality which seemed to exist between him and the members of the Soviet Legation went to corroborate this statement.

6. Just before his departure for Geneva, Tevfik Rüştü called upon me at the Legation to return the visit I had paid to him. He stayed with me for an hour, which he occupied in the main in exposing to me his own appreciation of the present situation in Europe. As this appreciation may not be without some interest, I venture to set down as faithfully as I am able what Tevfik Rüştü said.

7. Firstly, he made it clear that he thought the position of France was exceptionally strong at the present moment, as she appeared to him to have many of the cards in her hands. Of course, what she desired above all was consistent and solid collaboration with His Majesty's Government. In return for that, accompanied by such guarantees as France might consider adequate for her safety, she might abandon "other" plans. Nevertheless, she recognised that Great Britain might not be able to give her the necessary guarantees in advance to secure her against attack in the future. This being so, she was turning her eyes towards Russia, where the position for her was exceptionally favourable, having regard to the deep suspicion with which the Soviet Government at present viewed Hitlerite Germany. Tevfik Rüstü said that precedent must count for much in the relations between France and Russia. There had been an alliance between the two countries before the war, and the conditions to-day were such as to facilitate the revival of the historical association. Of course, the "consent" of Poland and of Turkey would be necessary to facilitate a Franco-Russian alliance, but, as regards Poland, France held the key. The Soviet attitude towards Germany made it possible for the French to put the question to the Poles whether the Franco-Polish Treaty of Alliance retained all its validity, or whether it had, to some extent, been weakened by the recent Polish-German rapprochement. The Poles could return but one answer, as any idea of an effective Polish-German combination could be excluded from the sphere of practical politics. So far as Turkey was concerned, Turkey would be ready to tell the Russians that they would place no obstacle in the way of a revival of Franco-Russian co-operation. The economic interests of Turkey might well be more identical with those of Germany than with those of the other Powers, but politically Turkey desired 100 years of peace to develop her resources undisturbed, and as a Franco-Soviet collaboration seemed calculated to secure this, Turkey would place no obstacle in the way of its realisation, and would be prepared to inform Soviet Russia to this effect.

8. Tevfik Rüştü said that, of course, the revival of a Franco-Russian alliance would mean a return to the old group system of alliances. A preferable alternative from every point of view would be something in the character of an "Eastern Locarno," to which Germany could be invited to be a party. Though "in fact" this would operate much as the group system had done, since every such accommodation depended for its maintenance on the element of the balancing forces which kept the combination together, the appearance of an

"Eastern Locarno" would be better than that which would result from an undisguised return to the system of the alliances. However, the choice lay between these two alternatives, and, if an "Eastern Locarno" could not be negotiated, the system of alliances on the old pattern would almost certainly come into existence with a revival of the old Franco-Russian association designed to meet the same contingency to-day as that which threatened Europe in the years before the war.

9. Tevfik Rüştü said that as regards the Eastern Mediterranean, a special arrangement was required directed to the maintenance of the *status quo*, to which he thought Great Britain should be a party. In this connexion he spoke with some contempt as regards Italy "masquerading" as a great Power. Her present pretences in this direction were not unattended by dangers, as she was putting her potentialities for influencing the course of events in Europe to a strain disproportionate to their capacity. It was an absurdity for her to pretend she could exercise the same influence as such Powers as Great Britain, France or Germany. He, Tevfik Rüştü, was a "realist," and if he were in control of Italian foreign policy he would see to it that he would subordinate his action to the requirements of Downing Street, realising that only as the "brilliant" second of Great Britain, by which Power he was for all purposes of effective action controlled, could he hope to put to best advantage the weight which Italy could pull in the field of international policy, and thus achieve the best results for Italian interests. As regards Italian policy in general in so far as it might affect Turkey, Tevfik Rüştü said he felt secure in the excellent relations which existed between Turkey and Yugoslavia, both of which Powers disposed of strong military forces—incidentally, he claimed that Turkey could put an army of 1,200,000 men into the field should the necessity arise.

10. Returning to the problem of the relations between France and Germany, Tevfik Rüstü said he had made a special study of the military position as between the two countries. The present position of France was one of immense strength, but the potentialities of Germany were equally impressive with the great preparations on which Germany was engaged. To-day there might yet be time to conclude some arrangement which would postpone, for half a century at least, a clash which it was in the interests of all to avert, but in two years' time Tevfik Rüstü thought the position would be different, and that the maintenance of peace would then depend on such "containing" influence as a more or less equal balance of military force might exercise on those Powers desirous of making, in their own interest, an alteration in the *status quo* in Europe in one direction or another. It was for this reason that he hoped so ardently that no time should be lost by the Powers in endeavouring to conclude some arrangements such as he had indicated, since, could this be brought about, he believed that the atmosphere of confidence which would result would enable economic recovery to make progress, and that in the course of a short time the nations would be disposed to view their political differences, which at present loomed so largely in their perspective, in a different and, it might be confidently hoped, more accommodating mood.

11. I thanked Tevfik Rüştü for the trouble he had taken in reviewing at such length the picture as he saw it for my benefit, and told him I was in full agreement with him as to the urgency of the Powers reaching a working basis between themselves so as to restore confidence in the financial and commercial world. With him I believed that if that confidence were restored economic recovery would be given a chance, and that with economic improvements in the condition of the various countries many of the "political" problems would assume less alarming proportions than they seemed to do at the present moment.

12. Tevfik Rüştü said he was glad his review of the position had interested me. He confessed it was of necessity of an "academic" nature, but it was his habit to indulge in such "academic" appreciations with those who cared to spend their time in listening to him. He said it would not occur to him to inflict his opinions on the Ministers for Foreign Affairs of the great Powers unless invited by them to state his views, as the questions with which he had dealt in his conversation with me were of necessity more their "business" than his.

13. I have recorded this conversation with Tevfik Rüştü at some length as it sets forth the reflections of a statesman looking out from Angora for possible reactions from the developments in the international situation on his own country.

14. In whatever respect Tevfik Rüştü's estimate approaches reality or the contrary, I submit that the following points are not without interest:—

(1) His estimate of the potential danger to peace of the Austrian problem;
(2) His confirmation of the good relations existing between Turkey and Russia;
(3) His statement as to the present close collaboration between Turkey and Yugoslavia; and,
Fourthly and lastly, his opinion of the "capacity" of Italy as a great Power.

As regards this last point, whether Tevfik Rüştü's estimate of the capacity of Italy to determine the course of events in particular spheres of the European field in which Italy is interested corresponds to the fact or otherwise, the opinion of the Turkish Minister for Foreign Affairs on the subject has a relevance of its own, if we bear in mind Turkey's suspicion of Italian designs in the Eastern Mediterranean.

I have, &c.
W. SELBY

E 3963/3652/44

No. 43.

Mr. Morgan to Sir John Simon.—(Received June 15.)

(No. 282.)
Sir,

Angora, June 9, 1934.

I HAVE the honour to report that, during the discussion by the Grand National Assembly of the budget estimates of the Ministry for Foreign Affairs on the 29th May, Sirri Bey, "independent" Deputy for Kocaeli, asked the Government to make a statement on Turkey's foreign policy, particularly with reference to the Mediterranean, and Sükrü Kaya Bey, Minister of the Interior and Acting Minister for Foreign Affairs, replied.

2. Sirri Bey, in his speech, began by saying that the most important fact in Turkey's foreign policy was her friendship with Russia. He then spoke highly of Turkey's friendship with France, her alliance with Greece and the strengthening of her relations with her Balkan friends. As regards relations with Persia, Iraq and Syria, it went to his heart to have to consider them as foreign countries. Turkey looked on dear Afghanistan, who had sorrowed and rejoiced with Turkey in her days of crisis, as a brother. He wished, however, to have information about the Mediterranean. It was not that he feared for any part of Turkey. He had supreme confidence in the Turkish army. But this did not mean that there was no possibility of outside attack. The Mediterranean had long been the scene of occupations and annexations, under pretext of assuring equilibrium or European peace. He recalled Algeria, Tunis, the Ionian Islands, Egypt, Morocco and Tripoli. Lastly, he recalled Corfu, and how Greece, unable to resist Italy, had appealed to the League of Nations, whereupon England had placed her air fleet in the Mediterranean at the disposal of the League, and Italy had climbed down. He repeated that he had no anxiety as regards any danger to Turkey from the Mediterranean.

3. In reply Sükrü Kaya Bey said that Turkey's motto was peace at home and abroad; friendship with neighbours, and agreements of mutual security with other nations. The most recent example of such an agreement—the Balkan Pact—would be given full practical application. Russo-Turkish friendship was sacred—in a class by itself. Relations with other countries were friendly, and they had given proofs of friendship by accepting, in recently concluded commercial treaties, the principles adopted by the Turkish Republic. In pursuit of her policy, Turkey relied principally on the patriotism of her people and the strength of her army. As regards the Mediterranean and the Black Sea, Turkey followed two systems, namely, the conclusion of agreements guaranteeing the security of these seas with States washed by them, and the building up of a defence capable of dealing with any near or remote eventuality. Turkey wished for peace; she would not be a disturbing factor at a time when Europe was unsettled on account of disarmament, the Sarre and other problems, but if, for

reasons over which Turkey had no control, exterior troubles arose, then Turkey would fulfil her obligations under the terms of the treaties of friendship and neutrality she had concluded with other Powers. In particular, she was determined to defend her frontiers. This determination explained her present budget. Friendship abroad was good, but strength at home was better. The strength of the country would be increased until no one would venture to turn a malevolent eye on it. If, nevertheless, under the impulse of some mad resolve, anyone attacked Turkey, the attack would shatter itself in vain against the rugged frontier rocks. Turkey will be a land from which the covetous will withold not only their hands, but even their eyes.

4. Sükrü Kaya Bey's speech was received with great applause. It was later followed by a speech from the Minister of National Defence, who congratulated the Assembly on voting a substantial increase—as compared with previous years—in the credits for national defence. He guaranteed that the nation's power of defence would be strengthened. He added that he had no need to guarantee the ability of the Turkish army to defend the honour of the republic. To this the Assembly replied: "All the world knows it."

5. In the light of events which have recently created a stir in Turkey, such as the speeches of Signor Mussolini about possible Italian expansion in the East; increase of Italian strength in the Dodecanese, and suspected Italian aid to Bulgaria, it is natural to connect the sudden decision to increase the credits for national defence with Turkey's distrust and dislike of Italy. The distrust is revealed, in many ways, in these latter days. For instance, the Minister of Public Works has just declared that Turkey must find money to construct roads in the south and west of Turkey for the defence of the country. Again, a chance enquiry by a member of the Embassy visiting a village at some distance from Angora, as to the reason for the absence of gendarmery, elicited the reply from the villagers that "they had gone to Adalia and the Dardanelles to fight the Italians."

6. It is not, however, sufficient to base the increase in the "defence" credits on Turco-Italian relations. It is inspired by more general motives. The leading Turks believe that a European war is imminent and wish to be strong enough to play any rôle they choose in such an eventuality. Again, they say that the world current has now set towards armaments and Turkey must follow the fashion. Finally, there is an indication that the "defence" policy to which Turkey has so far proclaimed adherence may be abandoned, as a natural consequence of Turkey's national progress. My Swedish colleague told me that Tevfik Rüştü Bey stated to him a short time ago that the character of the Turkish forces would, in two years' time, pass from the defensive to the offensive. M. Boheman asked, in astonishment, against whom the offensive would be directed, but Tevfik Rüştü Bey vouchsafed no further revelation.

I have, &c.
JAMES MORGAN.

[E 3966/1345/44]

No. 44.

Mr. Morgan to Sir John Simon.—(Received June 15.)

(No. 286.)
Sir,

Angora, June 9, 1934.

WITH reference to my despatch No. 245 of the 12th May regarding demilitarised zones in Turkey, I have the honour to report that the local newspapers reproduced recent *Times* articles expressing disapproval of any change in the régime of the Straits.

2. The *Cumhuriyet* of the 1st June declares that Powers dominating the coasts of international waterways fortify them as they wish. Gibraltar, Suez, Bab-el-Mandeb, &c., are not demilitarised. The Straits should receive similar treatment. British 38-inch guns can be installed at Gibraltar, but Turkish 7·5-inch guns are not allowed at Çanakkale.

3. The *Milliyet* of the 6th June summarises an article by M. Argyropoulos, ex-Greek Minister for Foreign Affairs, in the *Progrès* of Salonica, in favour of militarisation of the Straits.

4. The *Milliyet* and *Cumhuriyet* of the 7th June quote the correspondent of the United Press in Geneva as reporting on the 1st June that the "duel of words between Sir John Simon and M. Barthou is connected with Turkey's proposal for the militarisation of the Straits, and the important point is that while France, Soviet Russia and the Little *Entente* have promised their moral assistance to Turkey, Great Britain is definitely opposing the Turkish proposal."

I have, &c.
JAMES MORGAN.

[E 4205/3272/89] No. 45.

Consul Cowan to Sir John Simon.—(*Received June* 27.)

(No. 18.)
Sir, *Aleppo, May* 24, 1934.

WITH reference to my despatch No. 8 of the 3rd April, I have the honour to report that a few weeks ago the Vali of Aintab in Turkey visited this part of Syria, and, among other places, Antioch. He was there given a most enthusiastic welcome, being met by crowds who cheered Turkey and the Gazi. Various accounts are given of reported conversations, and statements which he is supposed to have made on the subject of the union of the sanjak with Turkey, none of which can possibly be believed. No effort was made by the French and Syrian authorities to check this demonstration, which they probably regarded as a safety-valve for popular feeling, as well as an indication of the identity of the ring-leaders in the pro-Turkish movement.

2. A few days later the Aleppo Nationalist leader, Ibrahim Bey Hanano, visited Antioch, and was given an equally enthusiastic reception, although he has comparatively few followers in Antioch. Still later a similar reception was given to General Huntzinger, the new French Commander-in-chief. It is quite obvious that all three receptions were staged, and that their only value is to show the lack of significance of such demonstrations. The crowd will always turn out and cheer anyone they are paid to cheer, as happened a few days ago, when the family of Mr. Henri Hindié, Syrian Minister of Finance and Aleppo Deputy, paid £200 gold to stage a welcome for him on his return to Aleppo from Damascus.

3. From a communication I have received from Mr. Mendel, it is evident that in my despatch under reference I did not sufficiently differentiate between the political feeling in Aleppo and Alexandretta. In Aleppo, especially in the town of Aleppo, there is much discontent with French administration, but Aleppo is a purely Arab town, and Nationalist feeling appears to me to be quietly but steadily increasing. At the same time, there is a feeling of resentment against the Government at Damascus, which has emptied the Aleppo treasury, formerly in a most prosperous condition, without giving natives of Aleppo what they consider their fair share of Government posts. This Nationalist feeling would be stronger were it not that the 90,000 Christians in Aleppo feel that under an independent Mussulman Government they would not be safe, so that, with the exception of a few idealists, very few Christians are members of the Nationalist party. On the other hand, there is no pro-Turkish feeling in Aleppo, in fact, feeling is definitely anti-Turkish, though economic conditions might modify this state of things. As regards sentiment towards the French, the present discontent is merely an example of what Mr. Mendel calls normal opposition to existing authority. Observant travellers inform me that they have remarked a similar state of things in Palestine.

4. In the Sanjak of Alexandretta the situation is different. There, the majority of the population is racially and linguistically Turkish. Many of the educated people even do not know Arabic, and we have recently had two Antioch Deputies in the Syrian Cabinet, whose knowledge of Arabic was defective. There is, therefore, a foundation here on which discontent can build and give a definite orientation to political sentiment. Whereas in Aleppo I should say that popular feeling is more anti-French than Nationalist, and not very strong at that, in the sanjak it is more pro-Turkish than anti-French, although the inhabitants have real justification for being disappointed in French administration. That the sanjak has been seriously neglected by the French cannot be denied, and it is hard to believe that this neglect is not deliberate. Except for a certain amount of road construction, no productive public works have been executed, and the important question of harbour works has been entirely ignored, in spite of petitions from the inhabitants. Most significant of all is the character of the assistant delegate, M. Durieux, a member of the French consular service, who has been assistant delegate in the Sanjak of Alexandretta for nine years, during which period he has done only what he could not avoid. Other assistant delegates have been changed, but he has remained. Lazy, untrustworthy and untruthful, he is loathed and despised by natives and Europeans alike, his own countrymen included. The retention of such a man in such a position, it seems to me, can only mean that he is carrying out the policy of his Government, that is to say, doing nothing. It is hard to account for such a policy, except on the assumption that France does not expect to retain the sanjak, especially as this policy has only strengthened pro-Turkish sentiment. What puzzles me is what France is going to get in exchange, for she will not give up Alexandretta without very substantial compensation. I do not think that the construction of harbour works at Mersin seriously affects the question, as Turkey needs immediately a seaport in those parts, and it is unlikely that the cession of Alexandretta, if it takes place, will do so for several years to come. In the meantime, unless France changes her policy in the sanjak, pro-Turkish feeling will increase.

5. Mr. Mendel raises the question of whether the natives of the sanjak are in sympathy with the modern Turkish régime. My impression is that they do not consider that any more than the advocates of an Arab empire consider how they would fare under Wahabism. It is almost certain that they would be disappointed, but they will not be convinced of this until they make the experiment.

6. I am sending copies of this despatch to His Majesty's High Commissioner, Jerusalem, His Majesty's Ambassador, Bagdad, His Majesty's consular officers at Damascus and Beirut, and to the British vice-consul at Alexandretta.

I have, &c.
N. PATRICK COWAN.

[E 4206/3272/89] No. 46.

Consul Cowan to Sir John Simon.—(*Received June* 27.)

(No. 19.)
Sir, *Aleppo, May* 25, 1934.

WITH reference to paragraph 1 of my despatch No. 18 of the 24th May, I have the honour to report that the Kaimakam and the Mayor of Antioch have been dismissed for their share in the demonstration in favour of the Vali of Aintab.

2. It is stated that disciplinary action will also be taken against certain teachers in the principal school at Antioch for pro-Turkish propaganda amongst the pupils. It appears that the books used in the classes were imported from Turkey, and were full of eulogies of the Kemalist régime. These books are now to be replaced by others printed locally.

3. I am sending copies of this despatch to His Majesty's High Commissioner, Jerusalem, His Majesty's Ambassador, Bagdad, His Majesty's consular officers at Beirut and Damascus and to the British vice-consul at Alexandretta.

I have, &c.
N. PATRICK COWAN.

[E 4183/117/44] No. 47.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 259. Confidential.)
Sir *Foreign Office, June* 27, 1934.

DURING the recent visit of Mr. Morgan and Colonel Woods to this country, various possible bases of negotiation with the Turkish Government were considered, and the approval of Ministers was sought for proposals which, while constituting a wide departure from the normal commercial policy of this country, would, it was thought, provide reasonable safeguards for United Kingdom trade and, at the same time, be in general consonance with the declared commercial policy

of Turkey. His Majesty's Government wish to give your Excellency full discretion as regards the actual conduct of the negotiations which they desire that you should now open with the Turkish Government, but you should bear in mind that the following instructions indicate the limits to which it is possible for you to go in an endeavour to reach agreement with the Turkish Government.

2. The present policy of the Turkish Government is to remove all unfavourable balances of payments with individual countries, and with this object in view they have concluded a number of agreements which provide for the establishment of clearing-houses in Turkey and in each of the other countries concerned. It is understood, however, that they do not desire to make a clearing arrangement a *sine qua non* in any agreement they may conclude with the United Kingdom.

3. His Majesty's Government are anxious to avoid anything in the nature of an actual balancing of payments or of trade, and, for reasons of general commercial policy, it is desirable that they should do their utmost to preserve for United Kingdom traders something approaching the position they would have if Turkey carried out her existing treaty obligations.

4. The United Kingdom Government, as such, is not in a position to bring about an increase in imports from Turkey, and a balance could only be obtained by cutting down the imports of United Kingdom goods into Turkey. According to the United Kingdom trade returns, exports (including re-exports) to Turkey in 1933 were valued at £1,521,000, and the balance of visible trade in favour of the United Kingdom in that year was £370,000. During the last ten years the average annual balance in favour of the United Kingdom on visible trade has been about £570,000, and during the last five years, some £270,000. To the favourable visible balance must be added a favourable balance on invisibles, which, in 1933, probably amounted to £100,000 or less. Your aim in the negotiations should be to go as far as possible in the direction of securing the removal of the restrictions on United Kingdom trade in Turkey, and to arrive at arrangements which would enable the United Kingdom to retain as much as possible of the present favourable balances.

5. It is arguable that these favourable balances are, to a large extent, only apparent because in the case of many of the finished products which the United Kingdom sends to Turkey a considerable proportion of their value is represented by the raw material purchased in other countries. Thus, for example, raw cotton represents some 40 per cent. of the value of exports of cotton goods from the United Kingdom, and most of the raw cotton is purchased from the United States of America, with which country Turkey has a very favourable balance of trade.

6. The Turkish Government apparently feel that they have a grievance against the United Kingdom in connexion with the increased duties imposed in this country in pursuance of the Ottawa Agreements with the Dominions. They contend that these agreements have seriously damaged their trade, particularly in raisins. There seems little ground for this contention. The Turkish commodities principally affected by the Ottawa duties are raisins and figs. The quantities of Turkish figs imported into the United Kingdom in 1933 exceeded the quantities imported in 1930, and were only slightly less than the quantities imported in 1931. The quantities of Turkish raisins imported in 1933 were far in excess of those imported in 1930 or 1931, notwithstanding an exceptionally large importation in 1932 (the Ottawa year).

7. His Majesty's Government understand, however, that the coming negotiations would be much facilitated if they were in a position to offer to Turkey concessions in the way of the reduction of United Kingdom import duties on some Turkish products, and particularly products affected by the Ottawa duties.

8. The imports into the United Kingdom in 1933 of the principal commodities imported from Turkey in recent years have been :—

	Value of Imports in 1933. Thousand £.
Raisins	262
Figs and fig cake	184
Carpets	30
Mohair	181
Nuts	53
Valonia	51

These products accounted for over 50 per cent. of the imports into the United Kingdom from Turkey in 1933.

The position as regards each of these products is as follows :—

(a) *Raisins.*

Raisins are subject to a duty of 10*s.* 6*d.* per cwt. under the Ottawa Agreements, and, in view of the large interests of Empire countries in the trade, a reduction of this rate of duty is out of the question.

(b) *Figs and Fig Cake.*

These products are also subject to a duty of 10*s.* 6*d.* per cwt. under the Ottawa Agreements. Empire countries have at present, however, only a small interest in the trade, and, after consultation with the Empire countries concerned, and an examination of the revenue effects here, His Majesty's Government are prepared to make a substantial reduction in the duty in circumstances mentioned later in these instructions.

(c) *Carpets.*

The present United Kingdom duty has been fixed at its present level as the result of a recommendation of the Import Duties Advisory Committee that this level was essential for the protection of the United Kingdom industry. His Majesty's Government are under an obligation to India to maintain a preference of 20 per cent. *ad valorem*. In present circumstances it would not be practicable to reduce the duty, or to undertake not to increase it.

(d) *Mohair.*

Mohair is on the United Kingdom free list. His Majesty's Government would be prepared in circumstances mentioned later to guarantee that mohair shall remain on the free list.

(e) *Hazel Nuts.*

The possibility of offering a reduction in the present duty of 10 per cent. *ad valorem* on this product has been under examination, but owing to the interests of home production it does not appear that any reduction is possible. As is indicated later in these instructions, His Majesty's Government would, however, be prepared to conventionalise the present duty in certain circumstances.

(f) *Valonia.*

In view of the interest of South Africa and India in competing tanning substances, a concession in regard to the duty on valonia would not be practicable.

9. In the course of a recent discussion at Angora, a representative of the Turkish Government suggested that steps might be taken to increase the sales of Turkish tobacco in the United Kingdom. This question was investigated by the counsellor of His Majesty's Embassy during his recent visit to this country, and a copy of a memorandum prepared by him, together with the comments of the Customs thereon, is attached (Appendix A(1)). It would not be practicable for His Majesty's Government to give any direct assistance in this matter, though they would be prepared to use their good offices to facilitate arrangements of the kind contemplated.

10. His Majesty's Government understand that the Turkish Government are likely to insist on an agreement which will have at least some semblance to a balance of payments or balance of trade agreement, and they would be prepared to conclude an agreement which would be not less favourable than one on the following general lines; this would go some way to meet the position of both sides:

Scheme A.

(*a*) Subject to (*b*), (*c*) and (*d*) below, imports of United Kingdom goods into Turkey in the first (year) of the operation of the agreement shall be admitted up

(1) Not printed.

to the value of the imports of Turkish goods into the United Kingdom in the previous (year).

Subject to (*b*), (*c*) and (*d*) below, in the second (year) and subsequent (years) of the operation of the agreement imports into Turkey from the United Kingdom shall be permitted up to the value of the imports into the United Kingdom from Turkey in the previous (year), with the following provisos :—

(i) If during the period the agreement has been in force the total imports into Turkey from the United Kingdom shall have exceeded the total imports into the United Kingdom from Turkey, the amount of the excess shall be deducted from the aforementioned value;

(ii) If during the period the agreement has been in force the total imports into the United Kingdom from Turkey shall have exceeded the total imports into Turkey from the United Kingdom, the amount of the excess shall be added to the aforementioned value. (A fuller explanation of this proposal is given in paragraph 16 below.)

(*b*) United Kingdom interests purchasing Turkish goods for export to any destination other than the United Kingdom shall be entitled to import into Turkey, free of restriction, United Kingdom goods of any kind of a similar value, and such United Kingdom goods shall not be regarded as imports into Turkey from the United Kingdom for the purposes of (*a*) above.

(*c*) Any United Kingdom goods sent to Turkey in connexion with contracts in respect of which United Kingdom interests have given long- or medium-term credits (twelve months or more) shall not be regarded as imports into Turkey from the United Kingdom for the purposes of (*a*) above, and shall be outside any quotas fixed in Turkey for the goods concerned.

(*d*) "Invisible exports" shall be excluded from any calculation under (*a*) above. (It will be necessary to make suitable arrangements to ensure that exchange is made available in Turkey for remittances to the United Kingdom in respect of the transactions which make up the "invisible exports.")

(*e*) Subject to the provisions of (*a*) above, import restrictions (direct or indirect), other than those imposed for the protection of Turkish industries (Turkish List M), shall not be imposed on United Kingdom goods in Turkey. As regards restrictions imposed for the protection of Turkish industries, no discrimination shall be exercised in the allocation of quotas for United Kingdom goods of any kind. If it proves impossible to obtain this, the following alternative might be put forward : Subject to the provisions of (*a*) above, particular classes of United Kingdom goods, specified in a list, shall be free of import restrictions (or at least be granted quotas for adequate quantities), and no discrimination shall be made in the allocation of quotas and licences for all other classes of United Kingdom goods.

(*f*) The Turkish Government will ensure that no restriction which would hinder or prevent the carrying out of the above scheme shall be placed on exchange.

11. It will be seen that clause (*a*) is designed to meet the Turkish views in form, and it is hoped that the various provisions in the subsequent clauses will, in fact, avoid substantial damage to United Kingdom trade.

12. If the Turkish Government were prepared to come to an agreement not less favourable than Scheme A outlined above, His Majesty's Government would be willing to reduce the United Kingdom duty on Turkish figs and fig cake from 10*s*. 6*d*. per cwt. to 7*s*. per cwt., which was the pre-Ottawa level of the duty.

13. It would not be feasible for His Majesty's Government to agree to a reduction of the United Kingdom duty on figs and fig cake below 7*s*. per cwt. in return for the acceptance of Scheme A by the Turkish Government. As explained above, the duty on figs and fig cake was increased, as a result of agreements entered into with the Dominions at Ottawa, from 7*s*. per cwt. to 10*s*. 6*d*. per cwt. In view of the small interest which Empire countries have in the trade at the moment, the Governments of the Dominions concerned have been approached with a view to obtaining their consent to a large reduction in the duty. As a result, His Majesty's Government are now able, so far as the Dominions are concerned, to reduce the duty to, but not below, 5*s*. per cwt. They have, however, to consider the situation in the United Kingdom. The increase, *i.e.*, 3*s*. 6*d*. per cwt., which was made in the duty in pursuance of the Ottawa Agreement can be removed by means of a Treasury order, and legislation is

unnecessary. Before any reduction of the duty below 7*s*. per cwt. could be made, however, it would be necessary to obtain legislative sanction, and this would not be practicable unless His Majesty's Government were able to show that they had secured very substantial concessions in return for the reduction of duty, particularly as they would be bringing down the duty below the level at which it has been maintained for many years for revenue purposes.

There will, no doubt, be a certain amount of criticism if the duty is reduced to 7*s*. per cwt., and it is for this reason that His Majesty's Government attach considerable importance to clauses on the lines of (*b*), (*c*) and (*d*) in Scheme A. They hope that not only will the adoption of these clauses result in the maintenance of some part of the present favourable balance of trade, but also that the clauses will be of service in staving off the criticism which is anticipated, in view of the fact that the policy which His Majesty's Government are prepared to adopt in their commercial relations with Turkey is difficult to reconcile with the policy followed in their commercial relations with other countries.

14. If the Turkish Government were willing to conclude an agreement more in consonance with those which His Majesty's Government conclude with other countries, and would accord complete most-favoured-nation treatment to United Kingdom goods without the overriding restriction of a balancing of trade (or payments), His Majesty's Government would be prepared to lay before Parliament legislation to permit the reduction of the duty on figs and fig cake to 5*s*. per cwt., a very substantial reduction. The kind of agreement His Majesty's Government would contemplate in this connexion would be on the following lines :—

Scheme B.

(*a*) No balance of payments or balance of trade arrangement.

(*b*) Removal of all discrimination in Turkey against United Kingdom goods in regard to quotas and licences.

(*c*) Particular classes of United Kingdom goods to be free of import restrictions in Turkey (or, alternatively, adequate quotas to be fixed for particular classes of United Kingdom goods).

(*d*) Goods supplied from the United Kingdom on long- or medium-term credit for Turkish Government purposes to be outside the Turkish quotas.

(*e*) Goods purchased on a compensation basis to be outside the quotas.

15. As is indicated above, a reduction in the United Kingdom duty on figs and fig cake is the only substantial concession His Majesty's Government could make in favour of Turkey in the trade sphere, and it will be necessary to make the fullest possible use of it in the negotiations. It is estimated that a reduction of the duty to 7*s*. per cwt. would involve a loss of United Kingdom revenue amounting to £20,000 per annum, and a reduction to 5*s*. per cwt. a loss of over £30,000 per annum.

There are two concessions of a lesser nature which His Majesty's Government would consider if the Turkish Government were prepared to conclude an agreement on the lines of Scheme B above, *i.e.*, undertakings (1) that no import duty will be imposed on Turkish mohair, and (2) that the import duty on Turkish hazel nuts shall not exceed 10 per cent. *ad valorem*.

16. The following notes on the several clauses of Scheme A may be of assistance to you in the course of your discussions with the Turkish Government :—

Clause (a).

(i) As the imports from Turkey into the United Kingdom are seasonal, it will be necessary to take the value of the imports for a period of twelve months as the basis of calculation. This might be the last calendar year, or any complete period of twelve consecutive months.

It will probably be more satisfactory for working purposes to fix a figure for the value of imports to be permitted into Turkey from the United Kingdom for a shorter period than a year, because whatever period is adopted, there will be a tendency for imports from the United Kingdom to be concentrated in the earlier part of the period. It is suggested that quarterly periods might be adopted.

The value of imports into Turkey from the United Kingdom to be permitted in each quarter might be the average quarterly value of the imports in the last completed calendar year, or the average value of the last four quarters preceding. In the latter case, it would be necessary to make for each quarter a calculation on the lines indicated in clause (*a*). For example, if the scheme came into operation on the 1st July, 1934, the value of the imports into Turkey from the United Kingdom to be permitted during the three months ended the 30th September might be the average quarterly value of the imports into the United Kingdom from Turkey during the twelve months ended the 31st March, 1934. The value of the imports into Turkey from the United Kingdom to be permitted during the three months ended the 31st December, 1934, would then be the average quarterly value of the imports into the United Kingdom from Turkey during the twelve months ended the 30th June, 1934. The adjustments contemplated in the provisos in clause (*a*) would be made after the end of each year of the operation of the scheme. They could not be made quarterly because of the seasonal nature of United Kingdom imports from Turkey. Appendix B shows in detail how this arrangement would work.(1)

The advantage would seem to lie in taking the average of the preceding four quarters instead of the average quarterly value for the previous calendar year, in that, if imports into the United Kingdom from Turkey increased, the increase in the exports to Turkey would be reflected without too long a delay, and if imports from Turkey into the United Kingdom decreased, the corresponding decrease of the imports into Turkey from the United Kingdom would take place more gradually, and a sudden and possibly comparatively large drop in our trade after the close of a calendar year would be obviated.

(ii) With regard to the statistics which should be used for the purposes of the calculations envisaged in clause (*a*), a memorandum by the Statistics Department of the Board of Trade is attached (Appendix C).(1) Special arrangements will have to be worked out to take account of (i) the United Kingdom goods going to Turkey under clause (*b*) in Scheme A, and (ii) the United Kingdom goods going to Turkey under medium- or long-term contracts.

(iii) Your attention is drawn to the views in the Board of Trade Statistics Department memorandum in regard to the rate of exchange to be used for converting into Turkish currency the value of the imports into the United Kingdom from Turkey.

Clause (*b*).

This proposal has been prompted by the "compensation system," which was in force in Turkey until last November. The goods purchased in Turkey under this system can be divided into two categories; first, purchases of Turkish goods which are destined for export to the United Kingdom, and, secondly, those destined for export to other destinations. Goods in the first category come within the scope of clause (*a*), and will therefore be compensated automatically. The purpose of clause (*b*) is to secure compensation in respect of the goods in the second category. The main justification of the claim of His Majesty's Government to a concession of this kind is that the purchases of Turkish goods by United Kingdom interests will make available in Turkey sterling proceeds, which might justifiably be used for the purchase of United Kingdom goods; again, the Turks themselves initiated this scheme.

A proposal has been included in clause (*b*) that the United Kingdom goods coming within its scope should not be subject to any quota restrictions in Turkey. His Majesty's Government realise that the Turkish Government may take serious objection to this proposal, and, if you are unable to dispose of their objection, they would be prepared to bring the United Kingdom goods concerned within the scope of clause (*e*), it being understood, of course, that, as the value of the Turkish goods purchases would not come into the calculations provided for in clause (*a*), neither should the compensatory purchases of United Kingdom goods.

It is believed that in a few cases United Kingdom interests do, in fact, now purchase Turkish goods for export to destinations other than the United Kingdom. Tobacco has recently been quoted as an example (see Appendix A, last paragraph).

(1) Not printed.

Clause (*c*).

The payment of goods on long- and medium-term credits takes the form of interest and sinking fund payments, which appear as "invisibles" at some future date, and it is for this reason that we consider that such goods should not be regarded as current imports in respect of the period in which the goods are actually imported.

I shall deal in detail in a separate despatch, which will be sent to you at the earliest possible moment, with the general subject of credits and the question how matters concerning credits can best be handled in the forthcoming negotiations.

Clause (*d*).

With regard to the amount of the favourable balance on "invisibles," the following items represent the income derived from British investments in Turkey in the form of quoted securities:—

	1932. Thousand £.	1933. Thousand £.
Turkish Government Debt	6	11
City of Constantinople 5 per Cent. Loan, 1909	19	19
Constantinople Telephone 6 per Cent. Bonds	17	17
Ottoman Railway, from Smyrna to Aidin, 5 per Cent. and 6 per Cent. Debenture Stock	143	143
Ottoman Bank dividends on share capital	5	5
	190	195

It will be seen that the dominating item is the Smyrna–Aidin debenture interest, but a large part of this can properly be eliminated because the payments have been made largely from reserves which are in the main already invested in the United Kingdom.

In addition to income from investments, some allowance must be made for insurances taken out on Turkish ships with Lloyd's, in so far as they exceed the amounts paid by Lloyd's in respect of losses, but no definite figure is available.

It seems unnecessary to make any allowance in respect of payments to British ships for freight, because such information as is available indicates that freights are outweighed by the expenditure of British ships, including tourist vessels, in Turkey. This expenditure is estimated at some £T. 500,000 (say, £70,000) annually.

The balance of "invisibles" in favour of the United Kingdom has been estimated by the Ottoman Bank at a net figure of some £60,000 a year. This figure may be an under-estimate to some extent, and, for purposes of discussion, the balance can be considered as probably amounting to £100,000 or less a year. In any case, however, the amount involved is insignificant compared with the total trade, and this alone should afford justification for not taking them into account in a balance of trade arrangement.

In any case, it can be contended that Turkish trade with Palestine and Cyprus affords ample resources with which Turkey can meet the balance in favour of the United Kingdom on "invisibles." The Palestine currency is based on sterling, and the present state of the trade between Turkey and Palestine must ultimately result in an accumulation of sterling in Turkey's favour. In 1932 Palestine's imports from Turkey were valued at £203,375, while her exports to that country amounted to £43, and her re-exports to £1,925.

In addition, it appears to be the case that "invisibles" were not taken into account in the recent agreement between Italy and Turkey, and there is no indication in that agreement that Italy made any concession to Turkey in return for a level balance of trade arrangement, excluding invisibles (see p. 3 of the memorandum enclosed with your despatch No. 203 of the 27th April).

It will be necessary to make suitable arrangements to ensure that exchange is made available in Turkey for remittances to the United Kingdom in respect of transactions which make up the invisible exports.

Your attention is drawn to paragraph 6 of Appendix C,(1) where certain questions arising in connexion with the exclusion of "invisibles" are discussed.

Clause (*e*).

The proposals in this clause are based in part on provisions in agreements recently concluded by Turkey with other countries.

As regards the list mentioned in the second alternative, a list drawn up in the Board of Trade for the purposes of negotiation is attached (Appendix D).(1)

17. The following paragraphs deal with various matters which will need to be covered in the course of the negotiations:—

18. His Majesty's Government understand that large quantities of United Kingdom goods are at present held up in the Turkish custom-houses owing to the insufficiency of quotas, and that some of them have been there for considerable periods. They would be glad if you would take up strongly with the Turkish Government the question of the release of these goods at an early date, and, if possible, while the negotiations for a new agreement are in progress. In this connexion you will remember that, in the course of a conversation with Colonel Woods, on the 3rd February, the Director General of the Commercial and Economic Department of the Turkish Ministry for Foreign Affairs stated that, as a proof of his personal goodwill, he would take up the question of stocks lying at the customs as soon as the Turkish note regarding the commercial treaty was despatched to you. He believed that there would then be more likelihood of obtaining satisfaction (see your despatch No. 60 of the 6th February). The note in question was sent to you on the 17th February, but, so far as His Majesty's Government are aware, there has since been no change in the situation as regards accumulated stocks.

19. It would also be important that you should secure at the beginning of the negotiations an assurance from the Turkish Government that, while the negotiations are in progress, no steps will be taken by them to make the situation more difficult by imposing further restrictions on the importation of United Kingdom goods.

20. It is also necessary to consider the relation between the provisions of the new agreement and the provisions of article 16 of the commercial treaty of 1930. His Majesty's Government do not completely abandon their rights under that article. It is suggested that the new agreement might take the form of a *modus vivendi*, and that it should include a form of words which would indicate that the treaty will remain in force except in so far as its provisions are at variance with those of the new agreement. If the agreement goes out of force and is not replaced by another agreement during the currency of the treaty, then any provisions of the treaty which have been temporarily in abeyance will revive.

21. The proposed agreement might be concluded for a period of one year from the date of the exchange of ratifications, and be thereafter terminable at any time after the expiration of six months' notice on either side.

His Majesty's Government would have wished to ensure, in the event of the new agreement being on lines similar to those indicated in Scheme A above, that the restrictions imposed on United Kingdom trade in virtue of the trade balance provisions of such an agreement should be removed immediately the trade of any other country is freed from similar restrictions. This course would, however, be impracticable, seeing that it is not the policy of Turkey to conclude balance of trade (or payments) agreements with countries with which she has a large favourable balance of trade, *e.g.*, the United States of America. Turkey has, however, concluded agreements of this kind with most of the principal trading countries, and it would probably meet the practical needs of the situation if you secured a clause to the effect that, if the trade of any country with which Turkey has already concluded an agreement of this kind should be relieved of the restrictions imposed by the agreement, then the trade of the United Kingdom should be immediately entitled to a similar privilege.

(1) Not printed.

22. In view of the innovations which will be introduced by an agreement on the lines indicated in the preceding paragraphs, you should keep me fully informed of the detailed progress of the negotiations, and seek my further instructions before definitely committing yourself to acceptance of any draft provisions of the proposed agreement.

I am, &c.
JOHN SIMON.

[E 4238/4048/44] No. 48.

Sir P. Loraine to Sir John Simon.—(*Received June* 29.)

[By Bag.]

(No. 5. Saving. Confidential.)
(Telegraphic.) *En clair.* *Constantinople, June* 20, 1934.

AFTER the banquet given by the Minister for Foreign Affairs on 17th June in honour of the Shah of Persia at the Angora Palace Hotel, I was playing bridge in a separate room with the Minister of Interior and two ladies, when the Gazi, accompanied by two Persian generals of the Shah's suite, both of whom I knew well in Persia, came unannounced into the room, and asked me if I would join him in a game of poker for half an hour. I naturally accepted, but found myself subjected to a severe test of endurance, as his Excellency kept the game going until 9 A.M. During these long hours the Gazi quite obviously cast down all barriers of formality, and, without any loss of dignity, treated me as though I were a personal friend and comrade. He played his game with the utmost zest and thoroughly enjoyed himself. He played skilfully and was a big winner, but when he terminated the game, he insisted on mixing up all the chips so that there should be no winners and no losers.

The party then broke up, but the Gazi evidently wished me to stay, and a conversation then ensued till about 10·30 A.M., at which only Minister of the Interior and another military member of the Shah's suite were present. The latter had drifted meanwhile into the room, and I do not think he understood or took much interest in what was said.

The Gazi asked me very pointedly whether I imagined that the night's proceedings had been fortuitous or deliberate on his part. I said that his Excellency did not give me the impression of a man who left many things to chance. This appealed to his sense of humour, and he said I was quite right; he had deliberately staged the proceedings and was glad of the opportunity of seeing me. He went on to say that I had created an excellent impression on him himself and on the Turkish Government. He knew what my record was; he was pleased that His Majesty's Government should have sent as their Ambassador here a man who has held such a high and important position as that which I had occupied in Egypt, and he had seen in my appointment a measure of the friendly intentions of His Majesty's Government. Since my arrival here I had established my reputation as a friend of Turkey, and as such he recognised and greeted me. He himself had reciprocated at once. Was I aware that Fethi Bey's nomination to London was entirely due to his initiative? I said I had more than suspected it. His Excellency said that the friendly reception given to Fethi in London by the King and by you, Sir, had caused him lively satisfaction. I said that Fethi had undoubtedly made a favourable impression in London, and I thought myself the appointment was an excellent one.

The Gazi said he had the greatest esteem for England, and that he wished for friendship with England. Why could we not come closer together? Did England attach no value to Turkey or her friendship? He realised that to us Turkey might not seem a very important factor. She was not a large country; not rich, nor populous, nor strong, although she was determined to be strong enough to defend her own territory against any aggression. What was really our attitude towards Turkey?

I said I did not think we underestimated the value of Turkish friendship. I myself certainly appreciated the pacific basis of Turkey's policy, her

renunciation of irredentism or foreign adventure, and her determination to ensure internal economic stability and to develop her own resources. These were not signs of an unimportant factor. Moreover, the population was increasing, and I fancied that Turkish territory had sufficient resources ultimately to support a population of 60 millions. It was not merely a question of the Turkey of to-day, but also of the Turkey of to-morrow; the first was by no means negligible; the second might be a very important factor.

I myself saw no reason why England and Turkey should not be good friends; we had certain interests in common, there were no questions of any gravity dividing us, and our relations were already good.

I must, however, say one thing in this connexion, and I wished his Excellency to hear me out. Turkey's most intimate friend to-day was Russia, whereas our relations with Russia, if correct, were certainly not close. . . . The Gazi then held up his hand to check me, and said: "Ah! if that is so, then very well." I sensed that this was the crucial point in the conversation, and his meaning seemed obviously to be that if we thought Turco-Russian intimacy a bar to Anglo-Turkish friendship, it was no use pursuing the latter question any further.

I therefore told the Gazi that he had interrupted me before I had completed my phrase or the expression of my idea, and that I wished to complete both. He said: "You wish then to continue?" I replied: "I quite definitely do so wish."

I then went on to say that in alluding to the close friendship of Turkey with Russia, I was conveying neither reproach, nor criticism, nor even comment. I was merely stating a fact. Turkey's relations with Russia were her own affair, and were dictated by her own conception of her own interests. The subject I had under discussion was Anglo-Turkish relations, and the point I wished to make clear was that, while myself welcoming cordially his Excellency's desire to draw them closer, I felt sure we would never consent to occupy the position of a competitor with Russia for Turkey's friendship. If the two friendships could coexist on open and parallel lines, then so much the better. I added an expression of the hope that his Excellency would admit that I had been right to insist on his hearing me out.

His manner, which had perceptibly hardened at the moment of his interruption, became warm again as he realised from my language that it was far from my intention to cast Turkey's intimate friendship with Russia in his teeth as a necessary barrier to a renewed Turkish friendship with England.

He then said that all these matters ought now to be discussed between myself and the responsible Turkish Ministers, and he beckoned to the Minister of the Interior to take note of this. He renewed his wish for friendship between Turkey and England, but said that if England really desired this on her part, he would want us to make some unmistakable sign to that effect.

I begged the Gazi to realise that what I had expressed throughout our conversation were merely my own ideas, and none of my remarks must be taken as committing my Government in any way. His Excellency said he understood this; he reiterated his wish that conversations should take place, and said he much hoped that if and when they did, it would be found that I had, in fact, correctly anticipated the views and sentiments of His Majesty's Government.

On the following evening, after a banquet at the Persian Embassy, I was again invited to join the Gazi at the poker table; the other players being the Shah, the Prime Minister and the Minister of Justice. This party lasted till 4·30 A.M. On one occasion, when the Gazi and I alone were left in, each with good cards, but his the better, he leaned over the table, at which there was a large audience, and said pointedly, no doubt in tacit reference to our conversation of the previous morning: "You see what our strength is when we are playing against each other! Imagine what it would be if we were united!"

See my immediately following Saving telegram.

[E 4239/4048/44] No. 49.

Sir P. Loraine to Sir John Simon.—(*Received June* 29.)

[By Bag.]

(No. 6. Saving.) *Constantinople, June* 20, 1934.
(Telegraphic.) *En clair.*

MY immediately preceding telegram, No. 5, Saving, of to-day.

I very much trust you will approve the language that I held to the Gazi. You will appreciate that I was placed in a difficult position. I was unwarned and unprepared for the raising by the President of the Republic of such an important issue, least of all on such an occasion and at such an hour. The Gazi, on the other hand, as is his custom, had planned the whole position and thought out what he wanted to say. I am convinced that had I not been forthright in replying to him, and that had I been evasive or desirous of referring to you before making any reply, he would have drawn unfavourable conclusions and his initiative would have dried up.

As it is he was, as I am aware from responsible quarters, thoroughly pleased and satisfied with his talk with me.

The importance of his approach to us cannot, I think, be doubted. He has taken the initiative. He has opened the door to an Anglo-Turkish rapprochement, and has held out the hand of friendship. He has virtually said—let us wipe out all bitter memories since 1914 and start afresh as good open, understanding friends.

On 20th June I saw the Minister for Foreign Affairs and gave him a detailed account of my conversation with the Gazi. He was up till then merely aware that there had been a conversation, and quite unaware of its purport.

He said I was quite right about the Gazi being a man who left as little as possible to chance, and I could take it for certain that his language, so far from being haphazard, had been carefully thought out. He also said I had acted very wisely in mentioning the Russian factor in the situation, and in insisting on being heard. I had made my point, it was perfectly in harmony with Turkish views; the last thing that Turkey wished, and this was no doubt what the Gazi himself had wished to convey to me, was that Turkey's friendship should be a burden to her friends.

I said I would, at the risk of pointing out the obvious, elaborate my ideas a little. We should much dislike the idea of a friendship with Turkey acting as a provocation to third parties. Furthermore, if perchance there was any idea of friendship involving us in any kind of military commitment whatsoever, he must cut that idea right out. That was a sheer impossibility.

His Excellency said he understood this perfectly well; indeed he admired the British determination in this respect. But to take the Russian factor again, he saw no difficulty about the co-existence of a Russo-Turkish and an Anglo-Turkish friendship. Where Turkish and Russian interests interlocked was in one geographical area, where Turkish and British interests interlocked was in a quite different and separate geographical area. I could, moreover, be quite certain that Turkey stood in no relation of political dependence on Russia in any respect at all; nor would Kemalist Turkey ever accept a position of dependence, total, partial or fractional, on Russia.

I then said that, being by nature a prudent man, I wished to examine with his Excellency what practical issues emerged from my conversation with the Gazi. I understood that the Gazi did not propose that matters should just remain as they were after our exchange of amenities, but wished conversations to be begun. Did his Excellency concur? The answer was affirmative.

In that case, I said, I must refer the matter to you. You might be unwilling to authorise any such conversations. But if you were willing, I should want to know rather more clearly what we were heading for, our present relations were quite good, and I should be most reluctant to begin any conversations with a risk of their ending up in the air. The Minister for Foreign Affairs fully concurred and said that if any conversations were undertaken we could rely during the exploratory or other stages on the complete frankness and discretion of himself and his colleagues.

I thanked him for this assurance and said that I must now submit the whole circumstances to you for your unfettered judgment, that you would doubtless require a little time to consider the matter and that I would lose no time in acquainting him with your reaction when I was made aware of it.

His Excellency readily accepted this, and said that he would meanwhile use the opportunity of the forthcoming tour to Smyrna of the Shah and the Gazi, whom he was accompanying, to speak to the latter, to gain further knowledge of his Excellency's mind on the subject and to acquaint him with the supplementary observations I had just made.

[E 4240 4048 44] No. 50.

Sir P. Loraine to Sir John Simon.—(*Received June* 29.)

[By Bag.]

(No. 7. Saving. Confidential.)
(Telegraphic.) *En clair.* *Constantinople, June* 22, 1934.

MY two immediately preceding telegrams, Nos. 5 and 6, Saving.

My impression is that Turkish desire for closer relations with us as expressed by Gazi is genuine. I do not blind myself to the possibility of there being some ulterior motive, though I think my language has definitely stamped on two possible ones, viz., playing us off against Russia, and drawing us into any military commitment. To use us as a counterpoise to Italy might be another possible purpose, but I think it is ruled out by language held to you in Geneva by the Minister for Foreign Affairs about a possible Mediterranean pact (see your despatch No. 2 from Geneva of 31st May), in which England, France and Italy would be necessary participants.

If, therefore, in pursuance of this reasoning, we can eliminate all major political motives, there remain economic considerations, and I surmise that there may be in the Turkish mind a hope of reopening the London money market to Turkey.

I do think, however, that what is more immediately in their heads is a doubt about where they stand with His Majesty's Government, and a fear lest, underneath a surface of smooth and correct relations, there may be on our side a current of somewhat contemptuous indifference. If this diagnosis is correct, such an idea would certainly be rather galling to them. I think they may also reason that, among their principal ex-enemies, England alone has held rather aloof. The French have certainly sought favour with them, the Italians have alternately flattered, cajoled and tacitly threatened them—or so they think at least; whereas we have remained stolid, unemotional and sphinx-like.

The Gazi, thanks to the patient work of His Majesty's Government and of my predecessors here in rebuilding Anglo-Turkish relations on a sound but modest foundation, and placing the interpretation which he does on my selection for this post and on his own appointment of Fethi Bey to London, has, in my judgment, reached the conclusion that closer friendship with England is not only desirable, but also possible; and with characteristic decision and boldness he has, with the weight of his great personal authority, taken the initiative in order, at the best, to break the ice; at the worst, to ascertain what the freezing mixture consists of.

I submit, with all respect, that we should be unwise either to ignore or to reject the olive branch thus proffered.

Postulating your concurrence in this view, and provided you approve of the line I have taken to the effect that any closer relations with Turkey must be neither of an entangling nor of a provocative nature, would you feel at all disposed to send me instructions on the following lines:—

Inform the Gazi that I have reported his conversation, that His Majesty's Government highly appreciate his friendly attitude and most cordially reciprocate his desire for close relations of true and open friendship between the two Governments; that you approve the language I held to him on my personal account, and that you authorise me to enter into informal conversations with the responsible Turkish Ministers in order to discuss, explore and report on to you any means whereby the friendship between the two countries can be strengthened and developed to their mutual advantage, but not to the detriment of interests of other Governments with whom either party to the conversations entertain friendly relations, or in such manner as to affect unfavourably the relations of the two parties with such other Governments?

[E 4255/776/34] No. 51.

Sir P. Loraine to Sir John Simon.—(*Received June* 30.)

(No. 299.)
Sir, *Angora, June* 21, 1934.

I HAVE the honour to inform you that His Imperial Majesty the Shah of Persia arrived at Angora on the 16th June on a State visit to the President of the Turkish Republic.

2. His Majesty, who was accompanied by his Minister for Foreign Affairs, his Grand Master of Ceremonies, the Persian Ambassador in Turkey, and a numerous suite, had reached Gürcübulak, on the Turkish frontier, on the 10th June, travelling from Maku, and was there met by representatives of the President, of the Turkish civil and military authorities, and of the Ministry for Foreign Affairs. He travelled thence by road, in five easy stages, to Trebizond, staying the nights on the way at Igdir, Kars, Erzerum and Gümüshane. Thanks to the elaborate arrangements made by the Turkish Government, which had entailed months of hard work, not a single untoward incident marked the conveyance of the party, numbering, with Turks and Persians, some seventy persons, with their luggage, across 600 miles of road, the whole length of which had had to be resurfaced, through a remote mountainous and war-stricken district. Some forty motor cars were employed for the purpose and fifteen lorries. Ten cooks and twenty-five waiters had been brought from Constantinople, and, while half their number served the party's luncheon, the rest went on to the next stopping-place to prepare dinner. At night the Shah slept either in the house of the local Vali or in some private house taken over for the purpose, and in every case the rooms had been specially painted and put in order beforehand. At Trebizond the Shah was greeted by the Minister for Foreign Affairs and the Secretary-General of the President, and from there he was conveyed in the battleship *Yavuz* (ex-*Goeben*) to Samsun, where a special train was waiting to bring him to Angora.

3. On his arrival at Angora station the Shah was greeted by the Gazi, who then accompanied him in an open car, between lines of onlookers and under a triumphal arch surmounted by the Persian and Turkish flags, to the People's House (Halk Evi), where His Majesty was lodged during his visit. This building had been specially prepared for His Majesty's reception, the Gazi himself having spent many hours there, twenty-seven at a stretch on one occasion, superintending the arrangements. A bedroom suite, upholstered in pink silk, had been ordered from Constantinople, but I am told that the luxurious bed was not in accordance with the Shah's tastes, and that His Majesty preferred to sleep on the floor. Outside, a garden had been made, and trees brought in full leaf from the nearest woods some 60 miles away, while a crop of young barley gave the appearance of a lawn.

4. On the first night of his visit the Shah dined with the Gazi at the presidential villa. Only Turks and Persians were present. The dinner was supposed to start at 8·45, but it was 2 o'clock in the morning before the Gazi and his guests moved into the dining-room, he and the Shah having sat till then conversing and listening to choruses sung by mixed choirs of men and girls, during which time refreshments, liquid and other, were served. Cordial speeches were exchanged during the dinner. On the following day the Gazi, accompanied by the Shah and the Chief of the General Staff, presided over a march-past, on the race-course, of a picked body of infantry, artillery and cavalry, with machine gunners and tanks, and some groups of boy scouts and students. That night the Minister for Foreign Affairs gave a dinner-party in the Shah's honour at the Angora Palace Hotel, to which the heads of missions were invited. The Gazi himself led the dancing at the reception which followed, leaving the Shah, meanwhile, to drink his coffee alone on the presidential dais. The Shah left the party early, but the Gazi remained playing poker till after 10 o'clock in the morning. I have reported in my telegram No. 5, Saving, from Constantinople on my conversation with his Excellency towards the end of this protracted vigil. The next night the Shah entertained the Gazi to dinner at the Persian Embassy, and a reception followed, to which the Diplomatic Corps were invited. A brand new road had shortly before been built to replace the uneven track which hitherto had been the only approach from the main road to the Embassy, and the Embassy

itself, a unique example of Perso-neo-German architecture, was brilliantly and very effectively illuminated. The afternoon of the next day the Shah and the Gazi and a large gathering, including the Diplomatic Corps, attended a performance of a musical play specially written for the occasion. The play, which is hailed as the first national opera, was well done and effectively staged. It depicted, in pseudo-Wagnerian style, and with much pathos, the twin origin of the Persian and Turkish nations, their subsequent estrangement as a result of the machinations of the Evil One, and their present and lasting reunion brought about by the two great national leaders.

5. The Shah left Angora by train for Smyrna on the 20th June with the Gazi, and, after a visit of some three days to that neighbourhood, they intend to go by sea to Constantinople in the *Yavuz*. The Shah will return to Persia via Trebizond.

6. I am reporting separately on the political aspects of the visit. Speaking generally, it appears to have been an unqualified success. The functions were well organised and the police arrangements excellent. The Shah, though silent and rather shy-looking at times, appeared to go through a strenuous programme with unruffled temper. Moreover, a natural friendship seems to have sprung up between him and the Gazi, and each appeared to find genuine pleasure in the other's company.

7. I am sending a copy of this despatch to His Majesty's Minister at Tehran.

I have, &c.
PERCY LORAINE

[E 4256/161/44] No. 52.

Sir P. Loraine to Sir John Simon.—(*Received June* 30.)

(No. 301.)

Sir, *Angora, June* 21, 1934.

I HAVE the honour, with reference to Sir G. Clerk's despatch No. 234 of the 19th June, 1933, to inform you that the budget figures of the Turkish Republic for the year 1934–35 have now been published, and I transmit to you herewith a copy of an analysis of the budget, which has been compiled by the Ottoman Bank.(1)

2. The estimates of revenue as finally approved by the Grand National Assembly amount to £T. 184,081,000, as against £T. 170,477,000 voted in the preceding year, whilst the estimate of expenditure attains £T. 184,075,636, as opposed to the 1933–34 estimate of £T. 170,474,744. The National Defence vote represents 33·75 per cent. of the total budget, compared with—

29 per cent. in the year 1932–33,
32 per cent. in the year 1931–32, and
30 per cent. in the year 1930–31.

3. Details of the new fiscal charges to meet the increase in the sums voted for expenditure by the Ministry of National Defence, on which I reported in my despatch No. 298 of the 20th instant, are given in section B on p. 4 of the analysis, under the heading "Credits for the Strengthening of National Defence."

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE

(1) Not printed.

[E 4259/776/34] No. 53.

Sir P. Loraine to Sir John Simon.—(*Received June* 30.)

(No. 305.)

Sir, *Angora, June* 23, 1934.

I HAVE the honour, with reference to my despatch No. 299 of the 21st June, to inform you that during the Shah of Persia's visit to Angora a number of remarkably cordial speeches were exchanged by His Majesty and his Turkish hosts.

2. At the dinner given by the President of the Republic on the evening of the 16th June, the day of the Shah's arrival, Gazi Mustafa Kemal, addressing His Majesty as "Sire, my Great Friend and August Brother," continued as follows:—

> "The joy which I feel in welcoming to Turkey the illustrious chief of the sister nation is great indeed. The whole Turkish people rejoices in the visit of your Imperial Majesty.
>
> "If the history of Turco-Persian relations is looked into, it becomes manifest that these two peoples have encountered the most difficult crises in their existence each time they turned aside from the way of mutual friendship, whereas they were strong and prosperous whenever they strengthened the bonds of friendship in accordance with their natural inclinations and higher interests. The Turkish Republic, fully alive to this fact, has made of the Persian friendship one of the basic principles of its policy; and it is because these sentiments and considerations were, thanks to your Majesty's powerful influence, appreciated at their true value in the country of our neighbours and brothers that Turco-Persian friendship has been established, lasting and unshakable."

3. The Gazi then referred to the progress that Persia had made under the Shah's guidance and the great works which had been accomplished by the Imperial will. The increase of friendship between the two sister nations was of the greatest benefit to civilisation and humanity. Both nations, whose only aim was progress in peace, considered it a glorious duty to serve the cause of universal concord.

4. The Shah, addressing the "Glorious President of the Turkish Republic, Dear Brother and Great Friend," replied as follows:—

> "I am deeply touched by the cordial sentiments and the warm welcome with which I was received by the Turkish State and people as soon as I arrived in your country, as also by the affectionate words which you, my Dear Brother, have addressed to me." (Here followed a complimentary reference to the progress accomplished under the Gazi's guidance.) "Your Excellency, from the very day on which I took over the direction of the State I have felt the necessity of friendship with Turkey. I see to-day, on this happy occasion, that the relations between Persia and Turkey are cordial in the extreme. Our friendship rests on such solid foundations that it will never be shaken. The two nations, neighbours and sisters, supporting each other with the greatest confidence, will carry out the sacred mission of pursuing progress, spreading civilisation and serving the cause of general peace throughout the world.
>
> "I desire ardently to see you again, Dear Brother, and I trust that your Excellency will find it possible to fill me with joy by honouring Persia with your visit."

5. On the occasion of the Shah's visit to the Grand National Assembly on the 18th June, the President of the Council delivered a long speech of welcome, in which he referred to His Majesty as an illustrious chief who personified the love of independence and passion for work which characterised the new Persia. The Turkish people, in manifesting its overflowing affection for the Shahinshah, gave evidence of its love of and confidence in the Persian people. Under the administration of their illustrious and powerful chiefs, the relations between the two sister nations had become stable and had entered upon a new era. The period of discord and misunderstandings was past. A difference concerning the frontier had existed for more than a hundred years and had poisoned all feelings of confidence between the two States. This difficulty had been surmounted

in a comparatively short space, and the whole matter had been satisfactorily settled thanks to the two people's comprehension of their interests and to the wisdom and firm will of the two illustrious rulers. All fomenters of disturbances in the frontier districts had completely lost hope, and order and tranquillity now reigned there supreme. An era of prosperity for the two countries would set in if the present and future generations would only realise that they must seek their higher interest in their common happiness and strength.

6. Turning to economic relations, Ismet Pasha declared that here was a vast and most fruitful field of activity. Turkey and Persia were bound together by their geographical position, and, thanks to the new atmosphere which had been created, the two countries would reap numerous advantages in the economic domain.

7. Turkey and Persia, the Prime Minister added, are very near each other in their ideals and are passing through the same historical phase. Turkey, victorious after a long struggle, fully appreciates the effort being made by the new Persian State, whose whole policy is based on its firm determination to be independent. The securing of progress and the development of science and civilisation constitute a sacred aspiration for their two strong and independent countries. "For the rest we see that there is an affinity in the life and the tendencies of the two peoples, and a marked resemblance in their intellectual and cultural outlook." Ismet Pasha's speech ended with an appeal for universal appreciation of the relations uniting the new Persia and the new Turkey, based as they were on noble and humanitarian sentiments and ideas, to the exclusion of all aims but those of progress and peace.

8. I am sending a copy of this despatch to His Majesty's Minister at Téhran.

I have, &c.
PERCY LORAINE.

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FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXVIII

JULY TO DECEMBER 1934

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Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

Part XXVIII.

[E 4524/117/44] No. 1.

Sir P. Loraine to Sir John Simon.—(*Received July* 14.)

(No. 328.)

Sir, *Constantinople, July* 7, 1934.

I HAVE the honour to acknowledge receipt of your despatch No. 259 of the 27th June, which lays down the general lines on which His Majesty's Government would be prepared to enter into an agreement with the Turkish Government in regard to the commercial exchanges between the two countries.

2. After a careful study of the instructions contained in your despatch, I have addressed a note to the Turkish Government, a copy of which is attached. In this note are embodied the outlines of Scheme B which it is proposed shall serve as a basis of negotiation.

3. In a recent conversation with the Minister for Foreign Affairs, Tevfik Rüstü Bey gave me a fairly plain hint to the effect that his Government attached so great a degree of importance to the principle of balancing their financial and commercial exchanges with foreign countries that they would be prepared, in the last resort, to sacrifice their export trade to the United Kingdom rather than agree to any fundamental departure from this principle. This statement, taken in conjunction with the fact that the concessions which His Majesty's Government have been able to offer under Scheme B have proved to be less extensive than was first thought possible, lead me to expect that this scheme will be rejected by the Turkish Government as offering no basis for discussion. For this reason I have taken care to leave the door open for further negotiation by inviting the Turkish Government, in the event of the proposals of His Majesty's Government being inacceptable in their present form, to suggest any amendments or modifications which would render them more acceptable.

4. Even Scheme A, although it goes a long way towards meeting the desire of the Turkish Government to balance their commercial exchanges, is not, I fear, likely to be accepted in its present form. The principal ground of contention will, in all probability, be the question of the elimination of "invisibles" from the balance of trade agreement, and I anticipate also that clause (*b*) of Scheme A, regarding compensation transactions, will be contested by the Turkish negotiators.

5. In the supplementary notes contained in your despatch, dealing with the various clauses of Scheme A, reference is made under clause (*c*) to the question of the release of United Kingdom goods at present held up in the Turkish customs-houses owing to the insufficiency of quotas. This question, which was discussed in February last by Colonel Woods and Bedi Bey, the Director-General of the Commercial and Economic Department of the Turkish Ministry for Foreign Affairs, was carried a stage further by Mr. Morgan during the course of a conversation with Numan Bey towards the end of May last. Numan Bey stated that there was no hope of the Turkish authorities doing anything to help to get these stocks cleared before negotiations were begun, but once negotiations were entered into he would see what action he could take to effect the release of the

blocked consignments. An early opportunity will accordingly be taken, during the course of any negotiations, to press for the release of these uncleared stocks, but I anticipate that the Turkish Government will decline to take any effective action in the matter until it is reasonably certain that an agreement will be reached on the general question of trade exchanges.

I have, &c.
PERCY LORAINE.

Enclosure in No. 1.

Sir P. Loraine to Dr. Tevfik Rüştü Bey.

M. le Ministre, *July* 6, 1934.

I HAVE the honour to inform your Excellency, with reference to your note of the 17th February, 1934, that His Majesty's Principal Secretary of State for Foreign Affairs, to whom I submitted without delay your Excellency's suggestion that certain clauses of the Anglo-Turkish Commercial Treaty of 1930 might be readapted to new conditions, has, after careful consideration and after consultation with His Majesty's other Governments whose interests are affected, authorised me to enter into negotiations with the Government of the Turkish Republic on this subject, on behalf of His Majesty's Government in the United Kingdom.

The clause of the treaty which appears to be particularly contemplated by your note is article 16. His Majesty's Government in the United Kingdom are prepared to discuss with the Turkish Government the possibility of reaching a *modus vivendi* to take the place of that article, it being understood that, if any new agreement resulting therefrom went out of force before the expiration of the existing treaty, and was not replaced by another such agreement during the currency of the treaty, any provisions of the treaty of 1930, thus placed temporarily in abeyance, would revive.

From the oral exchanges which have meanwhile taken place between this Embassy and your Excellency's Department, you will already have been able to appreciate the natural wish of my Government to reach, if in any way possible, on the grounds of principle and of consistency alike, a form of agreement broadly consonant with the agreements which they have concluded and are in the habit of concluding with other friendly countries, and thenceforth in harmony with the principle of most-favoured-nation treatment.

It follows that His Majesty's Government in the United Kingdom desire, for their part, to preserve in the new agreement now contemplated any rights which they possess under article 16. Nevertheless, the special arguments put forward by the Turkish Government in your Excellency's note under reply have received close and sympathetic consideration at the hands of His Majesty's Government in the United Kingdom, who appreciate the desire of the Government of the Turkish Republic to organise their foreign commercial exchanges on a sound and stable basis, are anxious to preserve the continuity and to foster the development of the trade which has for so many years formed an important link between the British and Turkish nations, and take note with great satisfaction that this desire is shared by the Turkish Government. My Government are now prepared to make certain concessions which, having for their effect the stimulation of Turkish exports to the United Kingdom and therefore tending towards the elimination of the present inequality of exchanges, which has created a position of difficulty for the Turkish Government, might, it is hoped, meet your Excellency's desiderata without involving a departure from the point of principle to which His Majesty's Government are themselves attached.

The proposals to this effect, which I have the honour to place before your Excellency, are as follows:—

(*a*) The *modus vivendi* would make no provision for balance of payments or balance of trade between Turkey and the United Kingdom.

(*b*) Turkey would agree to remove all discrimination against United Kingdom goods in regard to quotas and licences.

(*c*) Particular classes of United Kingdom goods would be free of import restrictions in Turkey (or, alternatively, adequate quotas would be fixed for particular classes of United Kingdom goods).

(*d*) Goods supplied from the United Kingdom on long- or medium-term credit for Turkish Government purposes would be outside the Turkish quotas.

(*e*) Goods purchased on a compensation basis would be outside the quotas.

If the Turkish Government are prepared to give favourable consideration to the foregoing proposals, His Majesty's Government would be prepared—

(1) To effect a considerable reduction in the United Kingdom duty on figs and fig cake;

(2) To guarantee the continued absence of an import duty on Turkish mohair; and

(3) To ensure that the import duty on hazel nuts would not exceed 10 per cent. *ad valorem*.

I shall be glad to know whether the proposals outlined above are acceptable to the Turkish Government as a basis of negotiation. If so, I am ready and anxious to begin negotiations as soon as possible; if not, I shall be glad if the Turkish Government would suggest such amendments or modifications of the proposals as would render them more acceptable.

I have, &c.
PERCY LORAINE.

[E 4633/4633/44] No. 2.

Sir P. Loraine to Sir John Simon.—(Received July 18.)

(No. 332.)

Sir, *Constantinople, July* 7, 1934.

I HAVE the honour to inform you that a considerable number of Jews of Turkish nationality, said to be as many as 1,500, have arrived during the last few days at Constantinople from their homes in Adrianople, Gallipoli, Kirklareli, Lule Burgas and other towns in Turkish Thrace, which they had been forced to leave at short notice, in circumstances which for the present remain somewhat mysterious. It is reliably stated that as many more are on the way, and that the total number of persons affected may be between 7,000 and 8,000. My military attaché has been informed by his Bulgarian colleague that he travelled from Adrianople the other day with five Jewish families carrying small parcels of personal belongings, which represented all they had been able to save. Major Gheorghieff considered that Bulgarian and other foreign elements in Thrace would shortly receive similar treatment.

2. There was no doubt from the first that this sudden exodus of the Jewish population of Thrace was due to the action of the local authorities, who can hardly be supposed to have acted without the knowledge, even if not on the express orders, of the Central Government. In these circumstances, one of the most curious features of the affair was the issue, on the 5th July, of a communiqué from the Prime Minister stating that he had received complaints from certain Jews that they had been compelled to leave their homes under pressure from the local authorities; that, pending the investigation which he had instituted, he wished to warn all concerned that any action contrary to the laws of the republic would be dealt with most severely; and, finally, that the victims should apply to the courts for the defence of their rights and the punishment of the aggressors. This was followed by a statement in the Chamber much to the same effect, Ismet Pasha adding that anti-Semitism was not a Turkish product, that the Thracian Jews were free to return to their homes, that the persons responsible had been proceeded against in the courts, and that he was sending the Minister of the Interior to the spot to make a thorough investigation.

3. In the opinion of my military attaché, which I am inclined to share, this sudden expulsion of the Jewish element was connected with the increase of the number of garrisons in Turkish Thrace, which began to be effected about the end of June. It would appear that the whole district is to become, at any rate virtually, a military zone, and that it was therefore decided to eliminate from it all possibly undesirable elements. Major Sampson has learned that the interest of troops leaving Anatolia for Thrace is being aroused by the information that

they are going to the Bulgarian frontier, and he surmises that the local authorities, having received a general direction from Angora regarding the eviction of non-Moslems, became excited on the arrival of considerable numbers of troops, and, consequently, acted with undue precipitation. Perhaps later and further information will show whether these surmises are correct.

4. My Italian colleague has informed me that a few of his compatriots have arrived here under similar conditions from Çanakkale (Dardanelles).

5. I am sending a copy of this despatch to His Majesty's Minister at Sofia.

I have, &c.
PERCY LORAINE.

[E 4532/3652/44] No. 3.

Sir P. Loraine to Sir John Simon.—(Received July 14.)

(No. 334.)

Sir, *Constantinople, July 7, 1934.*

I HAVE the honour to inform you that on the occasion of the prorogation of the Grand National Assembly for the summer vacation on the 5th July, the President of the Council concluded his address to the Deputies with a general review of Turkey's relations with foreign States.

2. Persia, Turkey's latest friend, was naturally given pride of place, at a time when the Shah was still on Turkish territory on his return journey to Tehran from his recent visit to the Gazi. Ismet Pasha dwelt on the cordial nature of the relations, based on true confidence and fidelity, now happily uniting the two countries. Turkey was proud to have been honoured by the visit of His Majesty the Shahinshah, who personified the policy of confidence between the two States and had, by his qualities worthy of all respect, won the heart of the Turkish nation. Turkey firmly hoped that a new era of extensive relations with her neighbours in every domain was about to open.

3. Turning to Yugoslavia, the Prime Minister said that the recent manifestation of sympathy for Turkey in the Yugoslav Parliament, on the occasion of the ratification of the Turco-Yugoslav Treaty of Friendship and Arbitration, had afforded him a precious opportunity for drawing attention to the atmosphere of confidence existing between the two countries. The interview at Istanbul last year between that great national hero the August Sovereign of Yugoslavia and the National Chief of Turkey had auspiciously introduced a new and fruitful era in the relations between their respective States. Recent close contacts had revealed the harmony of the two countries' conceptions, which were inspired by a dislike of aggression and the desire of peace. A reference to the Balkan Pact was followed by the statement that the treaties still lacking between the two countries would be rapidly concluded in an atmosphere of perfect mutual comprehension.

4. With Iraq, Ismet Pasha declared, cordial relations continued to reign. With Syria, Turkey was on relations of good neighbourliness based on confidence. The significance and character of the treaties uniting Turkey and Greece were the expression of the close friendship which united the two peoples. Turkey hoped that her feelings of real friendship for Bulgaria would be openly appreciated by the Bulgarian Government and nation, whose adoption of a more conciliatory and practical attitude towards the Balkan Pact was greatly to be desired. With Roumania, Turkey had been a co-signatory of various international instruments during the past year, thus collaborating with her in a policy of non-aggression, peace and stability. With Albania, Turkey was on terms of sincere friendship. Hungary was united to this country by a treaty of friendship and arbitration, and the obligations thus incurred were being faithfully observed.

5. It seems somewhat curious that Soviet Russia should only have been mentioned at this stage. With her, Ismet Pasha said, Turkey continued to pursue, happily and steadfastly, a policy of close friendship and confidence. The perfect mutual understanding of their common will to follow this policy constituted a truly happy and salutary state of affairs.

6. Turkey's policy of peace and stabilisation had aroused interest in France, a fact which gave great pleasure to this country. The liquidation of the

differences between the two countries had been a long and arduous task, but it was Turkey's hope that her relations with France had now entered upon a phase of mutual confidence. Turkey had appreciated at their full value the marks of friendship which she had received on several occasions from eminent French statesmen.

7. It was now the turn of our own country. "With England," said Ismet Pasha, "we are in loyal and friendly relations which no difference disturbs. The regulation of our commercial intercourse in accordance with the exigencies of new conditions will furnish an opportunity for the beneficial extension of our economic relations."

8. No important litigious questions existed between Turkey and Italy, continued the Prime Minister. The two countries were bound by a solid treaty which confirmed their feelings of mutual confidence and friendship. The recent exchange of notes interpreting the Rome protocol of 1932 had given rise to "very precious manifestations." In Turkey's relations with Italy the essential question was that of security. Sensibility in the matter of peace and security was one of Turkey's characteristics. "While pursuing the realisation of the necessities resulting from that sensibility, we appreciate at its full value the pursuit of a policy favourable to the maintenance of real friendship and sincerity between the two countries."

9. Ismet Pasha's references to Poland and Germany were unimportant. With regard to the United States, his Excellency said that Turks and Americans found themselves in ever closer contact in several domains. The atmosphere of benevolent friendship existing between the two countries was of a nature to facilitate the unimpaired maintenance of their long-standing economic relations.

10. The speech ended with an appeal to the Deputies to ratify by their vote the Government's foreign policy, which consisted in assuring the security of the country and scrupulously refraining from encouraging or facilitating any aggression whatsoever. It is perhaps unnecessary to add that the desired vote of confidence was passed unanimously.

I have, &c.
PERCY LORAINE.

[E 4525/3652/44] No. 4.

Sir P. Loraine to Sir John Simon.—(Received July 14.)

(No. 335.)

Sir, *Constantinople, July 7, 1934.*

IN my despatch No. 334 of the 7th July I have had the honour to forward to you a summary of a statement made in the Grand National Assembly by the Prime Minister on the foreign policy of the Turkish Republic.

2. You are so well acquainted with the particular character of Turkey's present attitude towards countries with which Turkish foreign policy is most closely concerned, whether by reason of their geographical proximity or of their world importance, that I do not find it necessary to analyse the passages which Ismet Pasha devotes to each of Turkey's principal neighbours. You, Sir, will read between the lines of the Prime Minister's statement, for instance, on the subject of Italo-Turkish relations with perfect clarity and without needing any prompting from me.

3. I should, however, like to take advantage of the opportunity which this statement offers me to make some observations on the general evolution of Turkish foreign policy.

4. That Kemalist Turkey, during the last few years, has played, maybe rather unexpectedly, an active, vigorous and leading rôle in the international politics of this region of the world is, I think, an established fact. In my own opinion it has also been, broadly speaking, a beneficial rôle, the main objectives being security and stability at home and peace abroad.

5. What strikes me particularly is, however, that Turkey's own conception of her needs and aspirations in the domain of international affairs, a conception which is based on the two overriding considerations mentioned in the preceding paragraph, has, in the course of its application in practice, produced the result that the foreign policy of Turkey has to-day far more affinity with the foreign

policies of Turkey's ex-enemies than with those of her ex-allies. Turkey is actually anti-revisionist; is pro-League of Nations; is content with her own frontiers; is hostile to the splitting up of Powers into opposite camps or *blocs*; is an advocate of international co-operation; works for the reduction of international frictions; is on the side of balanced budgets and stable currencies.

6. The modern Turk is not an idealist. The Gazi, whose personal influence on the whole conduct of Turkish affairs cannot be underrated, is probably one of the hardest-headed, most practical realists of our day. It is to my mind all the more significant that the guiding principle of Turkish policy should have been evolved by a process of cold appreciation of real interests, rather than by one of romantic, mystic, or doctrinaire idealism.

7. It may be objected that Turkey's attitude towards the demilitarised zones does not tally with this description of Turkish policy. I admit that the objection has some force. I think though that it is an exception to the rule. The case, for the Turks, has special features, and is part of an inferiority complex which still lurks from the days of the Capitulations, but will, it may be hoped, be eventually outgrown. I do not think the Turks are themselves conscious of their inconsistency in respect of this question. They cannot get away from the idea that the denial of the right to occupy militarily and fortify these zones, should they so desire, is a form of servitude, irksome and humiliating in its nature; and they view the collective guarantee of the Powers signatory of the Straits Convention not as a relief from, and a sharing of, a burdensome responsibility, but as an unwelcome limitation of Turkish sovereignty in the zones in question. The hatchings on the map are symbolic to them of these disabilities, and their instinct will always be to get the hatchings removed. Should the Turkish Government raise the question again, the substitution for the multilateral guarantee of a series of bilateral guarantees might perhaps, if feasible, be a sufficient emollient.

8. To return, however, to my main thesis. Taking Turkey's ex-allies, Austria can be left out, as being a political problem rather than a political factor. With Bulgaria, Turkey's relations are on the cool; she has no sympathy with Bulgarian expansionism. With Germany, Turkey's relations are principally economic. There is no question of Turkey following in Germany's political wake.

9. Taking her ex-enemies. With Russia, Turkey has a close, intimate friendship and, to all intents and purposes, an alliance. The durability of this friendship may be dependent on its future expediency, and also on the development of Soviet Russia. Suffice it to say that there is virtual identity of view between these two neighbouring republics on the principal international issues that affect them. But Russia has changed.

10. England and France have not changed, and it is the evolution of Turkish policy towards a closer sympathy of aim and interest with the policies of England and France that seems to me the most significant development of Turkey's policy. The search for security has brought her closer to France, the desire for the organisation of peace and of stable economic conditions has brought her closer to England.

11. Turkish statesmen have also—I might really say, at last—realised that on essential, fundamental things, England and France cannot be divided.

12. This analysis may, I hope, be of some interest in itself; it may also help to show in clearer relief the background from which emerged, during the visit to Angora of the Shah of Persia, the friendly overture of the Gazi towards England, which I reported to you at the time.

I have, &c.
PERCY LORAINE.

[E 4587/4542/44] No. 5.

Sir John Simon to Sir P. Loraine (Constantinople).

(No. 283.)

Sir, *Foreign Office, July 16, 1934.*

ON learning to-day from Admiralty telegrams and from Athens telegram No. 94 of the 15th July of the serious incident which occurred in the Straits of Samos off Kanapiza, when Turkish guards fired fifty or sixty rounds at a private skiff belonging to H.M.S. *Devonshire*, killing one officer and wounding another, I

at once sent for the Turkish Ambassador and enquired whether he had any news on the matter to convey to me. He said that, apart from what he had read in this afternoon's newspapers, he had no information. I detailed the circumstances, so far as they are at present known, and requested him immediately to communicate with his Government, as we took a grave view of the matter. Fethi Bey expressed his great regret that anything of the sort should have occurred and promised to communicate with his Government immediately. He asked whether the skiff was flying the British flag, and I told him that I did not know that it was, but that this could make no difference as to the gravity of firing of this sort by Turkish soldiers upon an obviously innocent sailing boat. The Ambassador said that he thought that in this channel the Turkish authorities had a good deal of trouble with smugglers, but I pointed out that the rig and appearance of this British skiff were, of course, quite different from those of local craft. His Excellency naturally observed that such action would certainly not be authorised by the Turkish Government, and I replied that, while I realised this, we were bound to hold the Turkish Government responsible. For the moment and until the full facts are known, I abstained from making any further observations except to repeat that His Majesty's Government took the most serious view of what had occurred. Such a matter would be grave at all times, and it was especially regrettable at a time when I had just been receiving messages as to the Ghazi's desire to promote the closest and the most friendly relations with this country.

I am, &c.
JOHN SIMON.

[E 4240/4048/44] No. 6.

Sir John Simon to Sir P. Loraine (Constantinople).

(No. 7.)
(Telegraphic.) *Foreign Office, July 17, 1934.*

YOUR telegram No. 7, Saving, of 22nd June: Anglo-Turkish relations.

1. I approve your language, and you may act as proposed in final paragraph, subject to following considerations and with the following amendment, for which the reasons are given below: ". . . . between the two Governments. That we shall always be glad of any means that can be found to improve still further our excellent relations, and to strengthen and develop friendship between the two countries to their mutual advantage," &c.

2. I agree that we must not meet the Ghazi's advances with a rebuff or lack of response, and I am glad of the discretion shown in your preliminary reply. Anglo-Turkish political relations are, however, already so friendly that it is difficult to see how they could really be further strengthened and developed without involving His Majesty's Government in some engagement into which it would probably be impracticable for them to enter. It seems doubtful whether the Turks will be satisfied with merely platonic reiterations of our friendly dispositions; and if they make concrete proposals which it proves impossible for us to follow up, reaction may be unfortunate. That is why I would prefer not to go so far as you suggest in informal explorations for report and consideration here. It will be well to be a little less forthcoming and a little more non-committal at first, in view of probable paucity of material. Correspondence ending with my note of 20th January to Turkish Ambassador (enclosed in my despatch No. 26 of 22nd January) shows how little could in fact be done to give Turkey any tangible satisfaction. Matter will, therefore, require delicate handling, and while receiving Turkish proposals in friendliest possible manner you will appreciate importance of not raising their hopes unduly. Fact that you have already excluded the possibility of any military commitment (see paragraph 6 of your telegram No. 6, Saving, of 20th June) will have helped to forestall risk of misunderstanding.

3. Meanwhile, I trust that our friendly response to Turkish initiative will at least create a friendly and cordial atmosphere for the impending commercial negotiations, and facilitate your task in carrying them through. This point will be further developed in despatch on question of credits.

4. The above was drafted before the naval incident off Samos (see my telegrams Nos. 3–6 of 16th July). The verbal communication authorised in the present telegram should not of course be returned to the Turks until the naval incident has been cleared up by apology and compensation (see especially my telegram No. 5 of 16th July).

[E 4634/1204/44] No. 7.

Sir P. Loraine to Sir John Simon.—(*Received July* 18.)

(No. 338.)

Sir, *Constantinople, July* 11, 1934.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 410 of the 31st October, 1933, to inform you that Hikmet Bey has resigned the post of Minister of Public Instruction, on the ground that he wishes to devote all his time to historical studies. It is stated in the *Cumhuriyet*, however, that he will be reappointed Secretary-General to the Presidency of the Republic.

2. Hikmet Bey has been succeeded by Zeynelabidin Bey, who has been Deputy for Aydin since May and was previously Vali of Brusa, a post which he obtained, according to the press, for valuable services rendered while Vali of Antalya. He is stated to have graduated at the Mülkiye (Civil) School in 1911, and to have been a civil inspector and vali for many years. Little else appears to be known about him, and he has never been a public figure.

I have, &c.

(For the Ambassador),

W. L. C. KNIGHT.

[E 4865/4542/44] No. 8.

Sir John Simon to Sir P. Loraine (*Constantinople*).

(No. 303.)

Sir, *Foreign Office, July* 24, 1934.

THE Turkish Ambassador called this morning to express the concurrence of his Government with the terms of the announcement which I made in the House of Commons yesterday about the firing of the Turkish guard off Samos resulting in the death of Surgeon-Lieutenant Robinson. He reiterated the Turkish Government's sincere regret, and then asked me for any guidance I could offer as to fixing the appropriate sum which the Turkish Government proposed to pay to the deceased officer's father.

2. I said that, inasmuch as the payment was being spontaneously made as a compassionate grant, I did not feel that I had any *locus standi* to suggest the sum, but that, if the Ambassador wished it, I would consult the First Lord of the Admiralty and try to let Fethi Bey know what would be the sort of amount which the Admiralty, if it had to deal with such a case, might be disposed to pay. The officer was not married, and I understood that his nearest relative was his father, who was a Nonconformist minister. There had no doubt been considerable amounts expended in training Mr. Robinson as a qualified medical man, and, of course, there were prospects connected with his future advancement which had been destroyed by his death.

3. Later in the day the Turkish Ambassador was informed that the Admiralty, looking at the matter entirely on its merits, would have thought that £2,000 was a handsome amount, but that, of course, it was entirely for the Turkish Government to decide what the amount should be. The Ambassador said that his Government wished to make the payment as a sign of their very real regret and of their sympathy with the family of the deceased. It was not a case where there could be any question of bargaining. £2,000, he thought, would be a very reasonable amount in these circumstances. He would communicate with his Government to obtain authority to make this offer. I have not yet heard the result.

I am, &c.

JOHN SIMON.

[E 4710/117/44] No. 9.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 306. Confidential.)

Sir, *Foreign Office, July* 26, 1934.

IN my despatch No. 259 of the 27th June, which contained instructions for your guidance in conducting the commercial negotiations with the Turkish Government, I undertook to send your Excellency further instructions regarding the general question of credits for Turkey in the United Kingdom. Further, in paragraph 10 of that despatch, I suggested the outline of a possible trade agreement (Scheme A) based upon the principle of a balance of trade; and in this scheme I contemplated that any United Kingdom goods sent to Turkey in connexion with contracts in respect of which United Kingdom interests should have given long- or medium-term credits (twelve months or more) should not be regarded as imports into Turkey from the United Kingdom for the purposes of the balancing arrangement in clause (*a*) of Scheme A, and should be outside any quotas fixed in Turkey for the goods concerned.

2. With regard to the first point, I enclose for your private and confidential information a memorandum(1) which has been drawn up by the Export Credits Guarantee Department.

3. As regards the second point, after careful consideration and consultations with other departments concerned, I endorse the instructions already given to you in my despatch No. 259 to include clause (*c*) in Scheme A.

4. The Turkish Government initiated the negotiations for a balance of trade agreement; as I have already indicated, this principle constitutes a wide departure from His Majesty's Government's normal commercial policy, but in order to arrive at an amicable settlement of the difficulties at present in the way of trade between the two countries, His Majesty's Government are prepared to go as far as possible to meet the Turkish wishes. The attitude adopted by the Turkish Government, as I understand it, is that in general they are only willing to buy in the United Kingdom so many goods as they can pay for out of their current sterling income derived from sales of Turkish goods to the United Kingdom. This is the situation for which clause (*c*) in the proposed Scheme A provides, *i.e.*, for normal current commercial exchanges on a cash basis (including ordinary short-term trade credits).

5. But, in addition, His Majesty's Government have reason to believe that the Turkish Government desire to place abroad orders of a capital nature for machinery and factory equipment, in connexion with their five-year industrialisation plan.

6. I am informed that the Turkish Government have no less than £8 million worth of orders of this character to place abroad, and it is, of course, in principle, desirable that as large a proportion as is possible of these orders should be obtained for this country. I am also informed that some thirty-two United Kingdom firms have already formed themselves into groups to deal with these orders.

7. Orders of this nature would be of the kind which requires the arrangement of medium- or long-term credits. They would therefore be outside the scope of clause (*a*) of the proposed Scheme A, and the Turks would have to satisfy the British interests concerned that they will have command of sufficient exchange when the credits mature, by anticipating surplus dollars or francs or lire or some other source of foreign exchange. You will appreciate that it is difficult, if not impossible, for the authorities in this country to reach any final decision in the matter of credits, pending the receipt of more certain indications as to the likelihood of special orders for machinery, &c., of the type referred to above, being placed in this country. You should therefore aim at inducing the Turkish negotiators to broach this subject and to come forward with proposals. As soon as His Majesty's Government know what Turkey wishes to buy from this country, it will be easier to formulate an idea as to what can be done for Turkey in the way of credits. It may be that the Turkish negotiators will make no proposals of this kind; in which case your Excellency should, at an opportune moment, enquire from the Turkish Government whether British industry cannot

(1) Not printed.

be of assistance to them in their construction plan, adding that His Majesty's Government would regret to see all Turkey's foreign orders being placed in other countries, when the goods in question are such as Great Britain is so well qualified to supply.

8. In this connexion it has occurred to me that it may be possible to turn to general account in the commercial negotiations the important initiative of the Ghazi, reported in your telegrams Nos. 5, 6 and 7, Saving, of the 20th and 22nd June. I hope it may be possible for you, in view of the markedly friendly disposition of Turkey towards this country to which the Ghazi's remarks bore witness, to induce the Turkish negotiators to show a real appreciation of the extent to which His Majesty's Government are derogating from their normal principles of commercial policy in agreeing to negotiate on the general basis of a balance of trade and to realise that in return Turkey should be ready to make the desired exceptions to the strict application of the balance and to place orders in this country. It will, however, as explained in my telegram No. 7 of the 17th July, be necessary for you to bear in mind that His Majesty's Government are unlikely to be able to respond in any concrete form in the political sphere to Turkey's recent advances. I can only, therefore, draw your attention to the considerations mentioned in the preceding sentences of this paragraph and leave it to your entire discretion to make such use in the commercial negotiations of the atmosphere resulting from the Ghazi's recent *démarche* as may seem to you possible and desirable.

9. Meanwhile, the instructions contained in my despatch under reference assume that the United Kingdom can secure in Turkey, in the ordinary course of trade, orders for United Kingdom goods to the value of the United Kingdom purchases of Turkish goods. It is realised that Turkey is following a policy of extreme nationalism, and that in consequence some falling away in the sales of United Kingdom goods must be expected. On the other hand, it must be remembered that on the basis of 1933 trade United Kingdom exports to Turkey on ordinary trade terms substantially exceeded United Kingdom imports from Turkey. There would seem no reason to suppose that, for some time to come, at any rate, United Kingdom traders will not be able to secure in Turkey, in the normal course of trading, sufficient orders for United Kingdom goods to make up a value equivalent to the value of Turkish goods purchased by the United Kingdom. If it should so happen that in the future United Kingdom exports to Turkey fall away very rapidly and the balancing of trade which the Turkish Government envisage does not materialise, the whole question of commercial relations between the two countries may need to be reconsidered in the light of the circumstances then obtaining. But in endeavouring to obtain orders for the United Kingdom in connexion with the industrialisation plan, you should refrain from making such a suggestion to the Turkish Government since that might encourage them still further to restrict existing trade in the hope that it would be replaced by special trade on credit terms. At the present time, however, the difficulty experienced by the United Kingdom traders is not in obtaining orders, but in securing permits for the importation of their goods into Turkey. The first object of His Majesty's Government in the negotiations should be to remove this difficulty. If it be the case that the Turkish Government are not prepared to purchase in the United Kingdom in any circumstances any more goods than can be balanced by the sale of Turkish goods in the United Kingdom, then there would seem to be no real justification for special credits, because the goods supplied on credit would simply replace goods which would otherwise be purchased in the normal course of trade. It is clearly undesirable to encourage trade on special credit terms if that trade is at the expense of existing trade. His Majesty's Government are being subjected to much pressure from trade interests in the United Kingdom because the present dispute is placing hindrances in the way of ordinary trade, and their position would not be a happy one if the net result of a commercial agreement with Turkey was to a large extent the ousting of this trade in favour of a different kind of trade which depended on credits guaranteed by the Government.

10. I do not wish therefore to take any step which would encourage the Turks to restrict normal trade in the hope that it will be replaced by trade on credit terms. The best policy, in view of the attitude of the Turkish Government, would be for His Majesty's Government to seek to secure both the normal trade up to at least the value of Turkey's sales to the United Kingdom and also the

additional orders based upon credits to be met on maturity from sources of foreign exchange open to them, other than the United Kingdom, *e.g.*, United States of America, Palestine, Cyprus. It is only in the course of negotiation that it will be possible to estimate how far and in which direction His Majesty's Government will have to consider departing from this ideal policy. I have, therefore, endeavoured in this despatch to present the problem as it appears to His Majesty's Government and to suggest certain avenues of approach; but I must rely largely upon your Excellency's advice as to the way which should eventually be chosen in the best interests of British trade. I trust, however, that the considerations which have been indicated above will enable you to convince the Turkish Government of the reasonableness of the request of His Majesty's Government that United Kingdom goods, supplied on long- or medium-term credits, should be permitted to be imported into Turkey in addition to the goods which are to be set off against the value of the Turkish goods purchased by the United Kingdom in the normal course of trading.

I am, &c.
JOHN SIMON.

[E 4915/1345/44] No. 10.

Sir P. Loraine to Sir John Simon.—(*Received July* 27.)

(No. 357.)

Sir, *Constantinople, July* 21, 1934.

I HAVE the honour, with reference to my telegram No. 11, Saving, of the 11th July regarding troop movements in Turkey, to transmit to you the accompanying copy of an interesting despatch on the subject from the military attaché to His Majesty's Embassy.

2. Major Sampson calls attention to a general regrouping of the military forces of Turkey which appears at present to be taking place, its object presumably being a concentration of strength in the Dardanelles and Eastern Thrace and, to a minor extent, on the southern littoral of Anatolia. He adds, however, that the movement is still at too early a stage to make it possible to form any definite conclusions, and observes that as yet it does not necessarily constitute evidence of the intention of the Turkish Government to reoccupy the demilitarised zones.

3. I am myself still rather at a loss to understand the Turkish agitation about the question of the Straits. I rather hesitate to question Tevfik Rüştü Bey on the subject, for fear of letting loose a flood of talk which it might be as difficult to contain as it would be embarrassing to answer. Since his Excellency saw you in Geneva in the spring and, yielding to your arguments, undertook for the time being to put the question of remilitarising the Straits Zones in cold storage, it has seemed infinitely preferable for me to leave the matter at that point—and temperature.

4. Nevertheless, the signs that the matter is ever present in his Excellency's mind are unmistakable. Only this week, when I was in Angora and while, as recorded in my telegram No. 50 of the 18th July from Angora, the Minister for Foreign Affairs was explaining to me the attitude of the Turkish Government towards the proposed Eastern Pact of Mutual Assistance, and that of Russia towards any eventual Mediterranean Pact, the subject again intruded itself. Tevfik Rüştü's observation was to the effect that Turkey could have and would have reoccupied the Straits in the space of ten hours, had she not been convinced that the United Kingdom would not tolerate any alteration of the situation as regards the Straits to Turkey's prejudice. He seemed to interpret the language which you held to him at Geneva as meaning, in its essence, that 13 million Turks might sleep quietly in their beds, so far as danger via the Straits was concerned, because England could be relied on to keep watch and ward; and he did actually say that, unless Turkey felt that she had England's guarantee of security in the Straits, her only alternative would be immediate reoccupation with her own forces.

5. In view of the considerations mentioned above I abstained from comment. I doubt indeed whether there was anything both new and effective to say on the subject.

6. It is interesting to observe from a perusal of correspondence covering barely a month and concerned merely with the Near and Middle East: firstly, that Turkey does not feel safe in the Straits unless she has England beside her; secondly, that King Ibn Saud feels that his road to security leads through a close understanding with His Majesty's Government; and thirdly, that Yugoslavia would not regard any multilateral arrangement guaranteeing her security vis-à-vis of Italy as satisfactory unless the United Kingdom were a party thereto.

I have, &c.

PERCY LORAINE.

Enclosure in No. 10.

Major Sampson to Sir P. Loraine.

(No. 1.)

Sir, *Istanbul, July* 14, 1934.

IN connexion with current rumours of the alleged Turkish intention to refortify the demilitarised zones in the Dardanelles and Eastern Thrace, I have the honour to report the following circumstances which have come to my notice :—

The question of the Straits (with which I regard Eastern Thrace as inseparable) must assume paramount importance in a consideration of the military situation in Turkey. It would seem that until lately the Turkish General Staff were satisfied that they were able to close the Narrows in twenty-four hours, except against a full-scale attack, with the troops stationed in their neighbourhood. Up till the present time the garrisons in the areas in question have not been maintained on any higher level than in other parts of Turkey, troops being distributed fairly evenly over the whole country. Indeed, a preponderance was to be found in the central and eastern districts, twelve of the eighteen infantry divisions and two of the three cavalry divisions being located east of a north and south line through Eskişehir. It has been considered by experts that the defence of the Straits would have to be reinforced on mobilisation if effective and prolonged resistance were to be opposed to a combined major operation of war.

The first indications of a new view of the situation being taken by the Turkish General Staff date from the tour of Voroshiloff, Soviet Commissar for War, in October–November 1933. As a result of his visit, which included a detailed reconnaissance of the Straits area, a reorganisation of command took place. Şükrü Nayli Pasha, an officer who has a high reputation in Angora, was transferred from command of the IIIrd Army Corps, Istanbul, to a new post at Balikesir, where he is believed to have established a special headquarters to co-ordinate the defence of the Straits on both banks.

Since Voroshiloff's visit other events have given further impetus to Turkish military activity. The first of these is Mussolini's speech of last March containing references to the necessity for Italian colonial expansion. Although the Duce denied that Turkey was in his mind, and although it appears evident that his remarks were aimed at Great Britain over the Cyrenaica border, Turkish uneasiness regarding possible Italian aggression has not been allayed. Further, I learn that, as a corollary of the Balkan Pact, Turkey has agreed to contain the Bulgarian army if need arise, thus leaving Yugoslavia free to employ the bulk of her forces in the west.

Thirdly, and somewhat contradictorily, the growing rapprochement between Bulgaria and Yugoslavia appears to be creating vague apprehensions in Turkey regarding the formation of a Southern Slav *bloc*. Such a combination might eventually encourage Bulgaria to insist on her much-desired outlet to the Ægean. If this insistence were to assume an active form and were to be backed by a non-Balkan Power, such as Italy, the Balkan Pact would become inoperative. However, whatever the motives may be, the fact remains that a definite regrouping of forces started at the end of June and is still continuing. This regrouping has two drifts, a major one towards the Dardanelles and Eastern Thrace, and a minor one towards the southern littoral. In some cases whole units appear to have been transferred, but the general plan seems to be to transplant sub-units which are destined to become the nucleus of new formations. Troops

from units scattered all over the country have been signalled on the move westwards. I understand that the formation is contemplated of a new division at Antalya and a new division at Tekirdag (Rodosto). These movements have been kept secret as far as possible, troops in some cases having removed their identification marks before embarking. In very few cases has it been possible to discover their destination.

The present policy appears to be, therefore, to weaken the areas which are at present of minor importance, such as the Black Sea coast, eastern districts and the Syrian frontier, and to shift the military centre of gravity to the west. No definite statement can, however, be made in this connexion until the present troop movements have been completed and the new military situation has crystallised.

As stated in your Excellency's telegram, No. 11, Saving, of the 11th July, 1934, the current activity invites the inference that Turkey intends to reoccupy the demilitarised zones and infringe the Treaty of Lausanne, in direct contradiction to the categorical statements of her leading statesmen. There is, however, no certain evidence as yet of such an intention. The facts that troops and artillery have been despatched towards Çanakkale, that new garrisons have been established in Eastern Thrace, that stock of mines has been replenished, that the German military advisers have all gone to Mudanya for a prolonged stay, that non-Moslems were recently evicted from Eastern Thrace, that negotiations are in progress for the purchase of modern long-range guns, and that supplies of concrete are being sent to the Narrows, prove nothing more in themselves than the Turkish resolve to increase her potential strength at her most vital point up to the limit of her resources, to take expert advice on the subject and to screen the results from possibly unreliable elements in the population. The new military centres in Eastern Thrace, as so far discovered, are all outside the demilitarised zone. Çanakkale is the natural port of disembarkation for troops transported by sea for a move inland from that place. No direct evidence exists regarding the repair or construction of gun emplacements in the neutralised areas; the concrete may be intended as a reserve of material ready for immediate use or in connexion with the development of communications (construction of bridges, culverts and jetties), a process which, though of considerable military importance, is innocent under the treaty.

In my view, therefore, considerable caution must be exercised before jumping to any conclusions. Until the new distribution of troops has been established—and some time must necessarily elapse before the facts become known with certainty—it would be premature to assume that a breach of faith is being perpetrated by Turkey.

I have, &c.

F. A. SAMPSON, *Major, G.S.*

[E 4916/4633/44] No. 11.

Sir P. Loraine to Sir John Simon.—(Received July 27.)

(No. 358.)

Sir, *Constantinople, July* 22, 1934.

I HAVE the honour, in continuation of my despatch No. 332 of the 7th July regarding the enforced departure of a number of Jews from Turkish Thrace, to inform you that the Minister of the Interior, having conducted a personal investigation into the incidents in question, submitted a report to the Council of Ministers. The latter subsequently issued an official communiqué, of which the following is a summary :—

Hostility against the Jews in Thrace began in the Great War and continued during the armistice and the War of Independence. Having abated for a time under the Republican Administration, it had recently gained new strength from abroad. The complaint against the Jews was that they retained a foreign language and culture, while the Jews replied that they sincerely wished to become united under Turkish culture and were loyally attached to the Turkish State.

In mid-June the rumour spread that the Government wished to remove the Jews from Thrace, and this rumour gave place, early in July, to local pressure resulting in the departure of Jewish families to Constantinople.

The Government thereupon took energetic measures to put an end to these incidents.

About 3,000 of the 13,000 Turkish Jews settled in Thrace and at Çanakkale had left for Constantinople. At Adrianople there had been cases of boycotting, and at Kirklareli some sixty-five houses had been looted. In the course of these events one gendarme had been killed and one Jew wounded.

The Government had taken immediate measures against those officials who had not been sufficiently active in arresting the trouble, and thanks to the Government's intervention, 70 per cent. of the belongings taken from the Jews had been returned. The authors of the disturbances had been arrested, and those Jews who had left their homes had been told that nothing prevented their return. Some had already gone back.

The Government wished it to be clearly understood that they would oppose all attempts at ejection and boycott, and that no obstacle would be placed in the way of the Jews returning to their homes. The Government attached particular importance to the establishment of harmony and confidence between the different elements of the population, and admonished the press to be watchful of any attempt to sow discord among them.

2. In connexion with the admonition to the press contained at the end of the communiqué, it is of interest to remark that the *Milli Inkilap*, a violently anti-Jewish paper, which had published eulogistic appreciations of Herr Hitler's anti-semitic policy, has been suppressed, and it is announced that proceedings are to be taken in the courts against the editor.

3. Here, officially at any rate, this puzzling incident is considered to be closed. Of the genuineness of the measures taken by the Government to arrest this anti-Jewish outburst there can be little doubt. A few days ago the press announced the arrest of the presidents of the chamber of commerce and of the Municipality of Kirklareli, and also of the commissioner of police, in whose house had been found some furniture belonging to Jews. On the other hand, it seems certain that the press reports of the wholesale return of Jews to their abandoned homes are much exaggerated, and it is doubtful whether many families have returned except to collect their possessions and wind up their affairs. The true explanation of the affair would seem to be that the Government had decided, in accordance with the principles laid down in the recent law regarding the settling of populations, about which I am reporting separately, gradually to remove the Jewish elements from a district of strategic importance, and that the local authorities, possibly with an eye to the benefit to be gained from the hasty departure of a comparatively wealthy element of the population, acted with a precipitancy and violence which was no part of the Government's intentions, and which the latter were obliged, if only in view of the ensuing publicity, to disclaim.

I have, &c.
PERCY LORAINE.

[**E 4959/4542/44**] No. 12.

Sir P. Loraine to Sir John Simon.—(*Received July* 30.)

(No. 360.)

Sir, *Constantinople, July* 24, 1934.

I HAVE the honour to inform you that the recent unfortunate incident off the Anatolian coast, opposite the island of Samos, has, as was natural, been the subject of numerous articles in the Turkish press. The newspapers, instead of indulging in their almost invariable habit of prejudging the issue, confined themselves for the first few days, with remarkable unanimity, to publishing the communiqués issued by the semi-official Anatolian Agency, which, while naturally reflecting the Goevrnment's point of view, were correct in tone and as objective as could be expected in the circumstances. The Government, it was stated, deplored the fact that a British naval officer had lost his life; at the same time, the Turkish guards had clearly been within their rights, and had merely acted in accordance with their standing instructions.

2. When the incident had been amicably settled, subsequently to my interviews with the Minister for Foreign Affairs at Angora, the press began to publish articles less obviously inspired as to their form, but in close conformity, as regards their spirit, with the atmosphere of cordiality which had marked our interviews and the sincere sympathy and regret which Tevfik Rüştü Bey had expressed to me on his own behalf and on behalf of the Government. Thus the *Cumhuriyet* of the 21st July, after expressing deep regret for the incident, stated that the Turkish Government, the army and navy, and the whole nation were deeply affected by what had occurred. The British Government had recognised Turkey's goodwill and had agreed that the incident should be closed without insisting on a joint investigation. This was a proof of the confidence in and affection for Turkey felt by Great Britain, and showed, at the same time, the position which the new Turkey had gained in the international sphere. "We publicly express our regret," the *Cumhuriyet* concluded, "for the loss in our waters of an officer belonging to a friendly country."

3. In a long leading article which appeared in the *Vakit*, also on the 21st July, the writer, after expressing the deep regret felt by the whole Turkish people, said that it could never have occurred to a Turkish soldier to fire on an innocent person, least of all an officer belonging to a friendly foreign Power, had he not felt obliged to do so, in ignorance of the facts, by his sense of duty in obedience to the law. But it was not enough that this should be understood by the British Government. The point, the most delicate of all, to which Turkish public opinion attached the greatest importance, was to prevent any bitterness remaining in the heart of the British navy or of the family and colleagues of the deceased. In taking part in the funeral ceremony and casting a wreath on the waters in witness of their sorrow, the Turkish navy would accomplish a natural act, and, at the same time, a gesture of respect for the British navy. This regrettable incident had proved the genuineness of the sincerely friendly feelings which had grown up between the two countries since the Treaty of Lausanne. The frank and friendly attitude of the British Government throughout the liquidation of the incident had not escaped the notice of Turkish public opinion. The recent putting to the proof, in such sad circumstances, of Anglo-Turkish friendship was a most favourable omen for the future of the relations between the two countries and the two peoples.

4. The *Akşam* declared in a leading article that although the incident had saddened the Turkish people it had also consoled them on one point: it had afforded new and welcome evidence of the nature of Anglo-Turkish relations. The goodwill and straightforwardness manifested by England on this sad occasion were worthy of all praise. The comments of the rest of the press were in a similar strain.

5. I am sending a copy of this despatch to the Commander-in-chief, Malta.

I have, &c.
PERCY LORAINE.

[**E 5161/5161/44**] No. 13.

Sir P. Loraine to Sir John Simon.—(*Received August* 10.)

(No. 377.)

Sir, *Constantinople, August* 4, 1934.

I HAVE the honour, with reference to paragraph 3 of my despatch No. 358 of the 22nd July, to transmit to you the accompanying translation(1) of a law (No. 2510), which was voted on the 14th June, regarding the regional distribution of the population.

2. Reference was made to the Bill, whence this law presumably originated, in a semi-official letter from the Chancery of His Majesty's Embassy to the Eastern Department of the Foreign Office, No. 230/9/32, of the 9th August, 1932.

3. It will be seen that, under the provisions of this law, Turkey is divided into three zones. Zone 1 comprises those localities which it is desired should be reserved for the habitation, in a compact form, of persons possessing Turkish

(1) Not printed.

culture. Zone 2 comprises the regions to which those elements of the population will be moved whom it is desired to assimilate to Turkish culture. Zone 3 comprises the regions which are to be evacuated, and where it will be forbidden to settle or live by reason of their geographical situation or of sanitary, economic, cultural, political, military or police considerations.

4. In virtue of article 1, the Minister of the Interior is to be responsible for putting the law into effect in accordance with a programme to be prepared by the Council of Ministers.

I have, &c.
PERCY LORAINE.

[E 5238/4048/44] No. 14.

Sir P. Loraine to Sir John Simon.—(*Received August* 14.)

[By Post.]

(No. 18. Saving.)
(Telegraphic.) *Constantinople, August* 9, 1934.

YOUR telegram No. 14.

I took action yesterday with Turkish Minister for Foreign Affairs on instructions conveyed to me by your telegrams Nos. 7 and 12.

As wording, especially in the case of response to Gazi's overture, was important and as you preferred there should not be a written communication, I prepared two texts in form of an unaddressed and unsigned letter which Minister for Foreign Affairs will return to me after taking notes.

I am sending copies of texts in question by bag.

Both communications were highly appreciated and most favourably received by Minister for Foreign Affairs.

As regards response to Gazi's overture, he said important words were "true and open" friendship. A friendship that was hidden from no one and was aimed against no one was what Turkey wanted and was most glad to have. Actual effect of exchanges which had now taken place was to confirm authoritatively an existing situation of fact, but confirmation was most important and highly satisfactory to Turkish Government. He took the view that our reply had a positive and a negative value. Positive, as regards confirmation of Anglo-Turkish friendship; negative, insomuch as it implied that neither Government was or would be a party to any combination hostile to the other. He asked me whether I likewise understood message to convey this negative sense. I said that it had never even occurred to me that a direct or implied statement to that effect was required, but as his interpretation obviously corresponded with the facts so far as we were concerned, and as he said Turkey understood her relationship towards us in that sense, I found no difficulty at all in subscribing to his construction. He thanked me very cordially, and said that he was not a dreamer who sought for the eternal in politics. It quite sufficed him to know that was the position between the present Governments in London and Angora. I told him that you also felt need of prudence insomuch as existing relations were excellent, and sometimes the best proved to be the enemy of what was well. He said that he understood this perfectly, and to paraphrase his language—that this friendship must not be strained. But now this most satisfactory basis was established we could afford to allow our friendship to progress by evolution, which might indeed be none the worse for being slow. But he saw great possibilities for the future now that foundation had been so fortunately laid; it would have to be a long and patient haul, and probably it was better so; the results would be the more enduring.

In conclusion, he said that I could rely on my communication being much appreciated and warmly welcomed by the Gazi.

See my immediately following telegram, Saving.

[E 5416/117/44] No. 15.

Mr. Morgan to Sir John Simon.—(*Received August* 24.)

(No. 398.)
Sir, *Constantinople, August* 17, 1934.

I HAVE the honour to acknowledge the receipt of your despatch No. 306 of the 26th July on the subject of the commercial negotiations with the Turkish Government.

2. In paragraphs 5, 6 and 7 particular reference is made to the question of credit in connexion with the supply of the machinery and factory equipment required to carry out the Turkish five-year industrialisation plan.

3. In view of the fact that no definite information was available as to the nature and extent of the Turkish Government's requirements, I have obtained unofficially from the Director of the Industrial Section of the Ministry of National Economy the following list of industrial enterprises which it is intended to carry out. This list excludes all undertakings already in course of completion and those for which plant has already been ordered :—

	£T.
Electric cable factory	500,000
Sulphur refinery	300,000
Salt refinery (kitchen)	75,000
Artificial silk and cellulose	750,000
Cotton spinning, weaving, dyeing and printing (additional to Kayseri factory)	3,200,000
Wool spinning and weaving	1,000,000
Oil shale distillation	2,500,000
Bakelite plant (vulcanite, &c.) ...	750,000
Copper smelting, rolling mills and electrolitic refinery	2,000,000
Silver lead refinery	2,000,000
Iron works and general engineering ...	3,000,000

4. In addition to the above, the construction of a port at Eregli and of the Eregli–Filyos Electric Railway are considered to form an integral part of the Industrial plan; the cost of the port is estimated to be £T. 10 million, and of the railway about £T. 20 million, in addition to which it will be necessary to erect an electric generating station in the Eregli–Zonguldak district.

I have, &c.
JAMES MORGAN.

[E 5622/4844/44] No. 16.

Mr. Morgan to Sir John Simon.—(*Received September* 6.)

(No. 417.)
Sir, *Constantinople, September* 1, 1934.

I HAVE the honour, with reference to Sir George Clerk's despatch No. 334 of the 13th October, 1932, to inform you that the second Turkish language congress was held at Dolmabahçe Palace from the 18th August to the 23rd August. The president of the Grand National Assembly took the chair, and the congress was daily attended by the Gazi, and by all leading Turks. Among the numerous papers read were those of two members of the Soviet Academy of Sciences, and of a German professor at the University of Istanbul.

2. The various speakers explained the place of Turkish among the languages of the world, the history of the Turkish language and the meaning and aims of the present reform of the Turkish language. It was recalled that the earliest culture was Turkish, and that Turkish was the oldest of tongues, the source of the chief ancient and modern languages. "Civilisation came to the world through the Turk, and Turkish inspired all world languages." It, therefore, behoved the modern Turk to remember his ancient glory, his universal pre-eminence. Islam, an incident occurring late in the long history of the Turkish

race, had wiped out from the minds of Turks the remembrance of their pre-Islamic greatness, had overlaid their tongue with alien accretions, and imposed on them an alien culture, in which, forgetful and contemptuous of the past, they alone took pride. The Turk must be taught to know himself, to value his heritage, and to take the place in the world to which the glory of his ancestors entitled him.

3. The aim of the congress was, it was explained, to abolish the gulf that separated written and spoken Turkish. As the Turkish revolution was essentially a revolution of the Turkish people, so the language of Turkey must be the language of the people. No longer would it be possible for a writer to gain the respect of his equals and the applause of the public, by writing a leading article so packed with abstruse Arabic and Persian words as to be unintelligible to his readers. The language must be purged of all alien elements, and their place taken by Turkish equivalents, either taken from the common speech, or from early or allied Turkish dialects or created in conformity with the spirit and form of the Turkish language. It was announced that, already, some 30 000 equivalents had been found, and had become the nucleus of a new Turkish dictionary. There is, in effect, little doubt that the aim of the congress has been to some extent achieved, for many new words, introduced of late years, have now become generally established throughout the country.

4. The congress was opened by a speech in new Turkish by the chairman, who was conscious of the "onur" (a Turkish word meaning honour—origin of the French "honneur") that had fallen to his lot. His delighted auditors found it entirely incomprehensible, and wholly admirable. The newspapers, in reproducing it, had to explain the new words in a glossary, which was much longer than the text. They warmly praised the chairman's effort, but saw no incongruity in describing him as reading his "tez" ("thèse") from a "tribun" to a crowded "salon," the nation at large following attentively, thanks to the "hoparlör." Other speeches followed in more normal Turkish, abounding in Arabic and French words, and were heard with comfort and understanding. Little disturbed the tranquil flow of the proceedings, save when one, Caferoğlu Ahmet Bey, described as a "docent" at the "Université," deviated into politics, while he was reading a paper on "Traces of early Turkish in the Russian language." On this the Gazi left the hall, the speaker was suspended, and subsequently dismissed from his post.

5. The congress was closed by a speech which seemed little influenced by the new language reform. It was chiefly remarkable for the pleasure which the speaker took in describing the atmosphere of freedom surrounding the proceedings of the congress, an atmosphere which he felt he could best explain to the audience by asserting that it was devoid of any "piréjugé."

I have, &c.
JAMES MORGAN.

[E 5623/117/44] No. 17.

Mr. Morgan to Sir John Simon.—(*Received September* 6.)

(No. 418.)

Sir, *Constantinople, September* 1, 1934.

IN a despatch, O.T. (B) 259/34, addressed to the Secretary of State for Foreign Affairs on the 30th August by the commercial secretary to this Embassy, he gave particulars of a new decree which will have for effect a restriction, as from the 1st October, of the exports from the United Kingdom to Turkey, and which will favour, to the detriment of the United Kingdom trade, the import into Turkey of goods from countries having a clearing agreement with Turkey or a balance, on commercial exchanges, in favour of Turkey.

2. On the face of it, the publication of this decree, at a time when His Majesty's Government have announced their willingness to enter into negotiations with Turkey regarding commercial matters, seems a tactless act. In order to ascertain the motives underlying the publication of the decree, and its objects, the commercial secretary has arranged to interview the Minister of Economy, and will report in due course on the result of the meeting.

3. It may not be out of place to remark here that countries which have concluded clearing agreements with Turkey seem universally dissatisfied with the results. Their goods have been sent in considerable quantities to Turkey, and Turkish liras in payment thereof (some 20 million, it is alleged) have been handed over, without interest, to the Turkish Central Bank, but exporters from the clearing countries, perforce remain unpaid, until their respective countries import Turkish produce of value equivalent to the exports already sent to Turkey. A considerable time will elapse before this happens. The situation may therefore arise (and has already arisen in the case of Belgium) where the Governments of countries having clearing agreements with Turkey will stop exports to Turkey. The position of United Kingdom exports to Turkey in such an eventuality will, in the long run, even when affected by the terms of decrees such as that now issued, hardly be as bad as that of competing "clearing" countries.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 5661/117/44] No. 18.

Mr. Morgan to Sir John Simon.—(*Received September* 8.)

(No. 422.)

Sir, *Constantinople, September* 4, 1934.

IN my despatch No. 418 of the 1st September I reported on a Turkish decree which will restrict, as from the 1st October, exports to Turkey from the United Kingdom, and all other countries—few in number—which have not concluded "clearing" agreements with Turkey, or have not a balance, on commercial exchanges, in favour of Turkey.

2. I have now the honour to inform you that the commercial secretary to this Embassy has had an interview with the Turkish Minister of National Economy, and has drawn his attention to the fact that the decree discriminates against United Kingdom trade, and to the fact that such a discriminatory act is difficult to justify in view of the present friendly state of Anglo-Turkish relations, and of the official knowledge of the Turkish authorities of the willingness of His Majesty's Government to negotiate a new commercial agreement with Turkey (see enclosure in Sir Percy Loraine's despatch No. 328 of the 7th July, 1934).

3. I enclose a copy of Colonel Woods's minute on his interview, from which it will be seen that Celal Bey promised to use his best endeavours to secure that if the Anglo-Turkish commercial negotiations were not concluded by the 1st October next, goods at present on the "free list" would remain so, and would not be transferred to list KL—a list enumerating goods which may only be exported to Turkey from countries having "clearing" agreements with her, or having trade balances favourable to Turkey.

4. It will also be seen that Celal Bey promised to remove certain restrictions affecting the supply of goods from the United Kingdom, in the case of Turkish Government contracts.

5. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 18.

Memorandum.

I WAS received, by appointment, this afternoon by Celal Bey, the Minister of National Economy, at the Pera Palace Hotel. Cemal Bey, the director of the Istanbul branch of the Turkofis, and a secretary were also present at this interview.

I informed his Excellency that I had now had an opportunity of studying the decree introducing the quotas for the October 1934–March 1935 period. The

restrictions which are to be applied as from the 1st October by virtue of this decree seemed to be directed against the United Kingdom, a factor which was unaccountable to me in view of the extremely friendly relations existing between the two countries, and the fact that we had intimated officially to the Turks that we were prepared to negotiate an agreement.

I went on to say that I could only assume that, pending negotiations and the conclusion of an agreement, it was not the intention of the Turkish Government to exclude the trade of the United Kingdom from the scope of the facilities granted by the decree to countries having a clearing agreement or trade balance favourable to Turkey.

It was obvious, at the outset, that Celal Bey had every intention of applying the new decree as it stands. But he added that he was confident that an agreement would be reached with the United Kingdom before the new quotas came into force on the 1st October next, and in this connexion he suggested our going to Angora next week for the purpose of opening negotiations. In reply, I informed his Excellency that if the Turkish Government were prepared to accept the proposals outlined in our note of the 6th July, representatives of His Majesty's Embassy would be only too happy to go to Angora, but I pointed out that, in the event of the Turkish Government having any counter-proposals to make, it would be necessary to refer them to the United Kingdom for consideration. For this reason I thought it unlikely, if reference to the United Kingdom became necessary, that an agreement would be concluded before the new quotas were applied, and I urged upon the Ministry the necessity of ensuring that the trade of the United Kingdom was not penalised by the delay in concluding an agreement, as this delay arose from the failure of his Government to make any definite response to our note.

After a further discussion of the discriminatory effects of the new quota system, Celal Bey finally undertook to do his utmost to persuade the Council of Ministers to agree that, should no agreement with the United Kingdom be concluded before the 1st October next, the tariff items included in List "A" in the March–September quotas should continue, as far as United Kingdom goods were concerned, to remain on the free list until an agreement was reached.

If his Excellency is successful in this respect, the adverse effect of the operation of list KL in the new quotas, to which a large number of "free list" goods have been transferred, will be avoided.

I then tackled his Excellency on the subject of the virtual exclusion of United Kingdom trade from all Government and semi-official adjudications.

Celal Bey stated that, as far as large orders falling within the five-year plan were concerned, he was obliged to limit purchases to clearing agreement countries, owing to lack of the requisite foreign exchange, but he gave me an assurance that, in the case of all Government contracts up to £T. 20,000 in value, the United Kingdom would be permitted, in the future, pending the outcome of our negotiations, to compete on equal terms with other countries, and in this connexion he instructed Cemal Bey to see that orders were given to allow the introduction of 6,000 tons of anthracite duff which the cement factories intended importing from the United Kingdom.

Celal Bey finally offered to supply me with a list with the estimated value, in each case, of the supplies required in connexion with the five-year industrial plan, and with another list of military supplies which will be required.

I would add, in conclusion, that his Excellency received me in a most cordial manner and maintained this friendly attitude throughout the course of the interview.

We shall now have to follow up this conversation and ascertain through the Turkofis whether the Council of Ministers has agreed to Celal Bey's proposed *démarche*.

H. W.

September 3, 1934.

[E 5731/5731/44] No. 19.

Mr. Morgan to Sir John Simon.—(*Received September* 12.)

(No. 423 E.)

Constantinople, September 5, 1934.

Sir,

I HAVE the honour to inform you that the tenth anniversary of the foundation of the Iş Bankasi was celebrated on the 26th August, and in this connexion an exhibition was opened at the Galatasaray school in order to demonstrate the various phases of the bank's activities.

2. The celebrations took the form of a reception, which was held at the Galatasaray Lisesi, Mahmut Bey, Deputy for Siirt, presiding. The guests, consisting of members of the Cabinet, of the Diplomatic Corps and of representatives of banking and commerce, were received in the grounds of the college by the staff of the Iş Bankasi.

3. In an address which was broadcasted Mahmut Bey expressed his thanks to the Gazi for his active interest in the Iş Bankasi, which, he pointed out, was founded by the Gazi himself. He then proceeded to give a detailed account of the progress of the bank in the domain of banking and industry since its foundation.

4. There is no doubt that the bank has made rapid progress during its ten years of existence, as the result, in a large measure, of the assistance rendered by the Turkish Government, many of the members of which are prominent shareholders or are financially interested in the various industrial enterprises controlled by the bank.

5. The Iş Bankasi enjoys a privileged position *vis-à-vis* foreign banks established in this country, as a large proportion of the Government's financial operations is diverted to the bank, and many profitable industrial concessions have been given to it.

6. The record of material progress made during the past ten years is certainly impressive. The actual capital of £T. 1 million has been increased to £T. 5 million, fully paid, and the reserve funds now reach a total of £T. 2,540,000. Beginning with a head office in Angora and a branch in Constantinople, the bank now has forty-eight branches, including one in Alexandria and one in Hamburg, whilst deposits made by the bank's clients have risen from a total of £T. 8 million in 1925 to £T. 49 million at the end of 1933.

7. The profits made by the bank have not been proportionately maintained, but, with the increasing competition of other Turkish banks, this was scarcely to be expected, as the dividends paid during the first few years of the bank's existence were astonishingly high. With a capital of £T. 1 million in 1925, the bank made a net profit of £T. 402,523, or 40 per cent. of its capital; in 1929, with a capital of £T. 4 million, net profits amounted to £T. 1,807,119, or 45 per cent., but profits have since declined to a more normal level, and for the year 1933 they amounted to £T. 616,755, representing a return of 12 per cent. on the capital, from which shareholders received a dividend of 8 per cent.

8. The attached list of industrial undertakings in which the Iş Bankasi is financially interested may be of interest.

9. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 19.

List of Industrial Undertakings.

Iş Limited (a company founded for the development of exports). Capital £T. 500,000; the Iş Bankasi's share of the capital is approximately £T. 250,000.

Milli Reasurans (réassurance). Capital £T. 1 million (fully paid); the Iş Bankasi's share being £T. 500,000.

Keçiburlu Kükürt Fabrikasi (sulphur factory) (newly created). Capital £T. 500,000; the Iş Bankasi's share being £T. 250,000.

Istanbul Trakya Şeker Fabrikası (Alpullu sugar factory). Capital £T. 3 million (fully paid); the Iş Bankasi's share being £T. 1,200,000.

Eskişehir Şeker Fabrikası (Eskişehir sugar factory). Capital £T. 3 million; the Iş Bankasi's share being £T. 990,000.

S.A.T. Maden Kömür Işleri (coal). Capital £T. 1 million (fully paid).

Anadolu Türk Anonim Sigorta Şirketi (assurance). Capital £T. 500,000 (£T. 125,000 called up).

Bulgardagı Simli Kurşun Madenleri (silver lead mines). Capital £T. 1 million. (This company has not yet commenced operations.)

Ipekiş (silk factory exploited by the Iş Bankasi at Bursa).

Yuniş (cloth factory at Angora). Capital £T. 600,000 (75 per cent. called up).

Turhal Şeker Fabrikası (Turhal sugar factory). Capital £T. 3 million. (This factory is in course of construction.)

Sömikok Fabrikası (anthracite factory) (newly created). Capital £T. 500,000.

Şişe ve cam Fabrikası (glass and bottle factory) (newly created). Capital £T. 600,000.

Société Limited d'Essence de Rose (newly created). Capital £T. 100,000; the Iş Bankasi's share being £T. 33,333.

[E 5895/117/44] No. 20.

Mr. Morgan to Sir John Simon.—(Received September 20.)

(No. 430.)

Sir, *Constantinople, September 13, 1934.*

I HAVE the honour, with reference to my despatch No. 422 of the 4th September, regarding the publication of a new Turkish decree to regulate imports for the period October 1934 to March 1935, to inform you that it is the opinion of the commercial secretary to this Embassy that article 7 of the decree might be used as a basis on which to build up a scheme of a commercial agreement between His Majesty's Government and Turkey, which would differ from, and possibly be preferable to, scheme B described in your despatch No. 259 of the 27th June.

2. As a necessary preliminary to an exposition of Colonel Woods's views, I would point out that the new decree (decree No. 2/1156 of the 21st August, 1934) divides all articles figuring in the Turkish customs tariff into the following categories :—

(*a*) Articles of which the import is unrationed, and which may be freely imported from any country. These form a list entitled "List S" (*i.e.*, "Serbest"—free).

(*b*) Articles which may be freely imported from any country, within the limits of fixed quotas. These form a list entitled "List K" (*i.e.*, "Kontenjan"—quota).

(*c*) Articles which may only be imported from countries having clearing agreements (based on a balance of goods or of payments) with Turkey, or from countries which place no special restrictions on Turkish imports, and with which trade exchanges are in Turkey's favour (the Turkish Ministry of Economy decides which are these countries). These form a list entitled "List KL" (*i.e.*, "Kliring"—clearing).

(*d*) Articles which are specially required for Turkish Ministries. These may normally be ordered from "clearing" countries, and, on certain conditions, from other countries, and form "List V" (*i.e.*, "Vekâletler"—Ministries).

(*e*) Articles which may be ordered from countries which facilitate and encourage Turkish imports. These form "List T" ("Teshil ve teşvik"—facilitate and encourage), to which may be added, in certain circumstances, the articles contained in "List KL."

3. The Turkish definition of the "facilities and encouragement," required to secure the right to take advantage of "List T," is given in article 7 of the decree, of which the following is a free translation :—

"'List T' indicates the goods which may be imported from countries which help to swell the volume of Turkish exports, either by allocating larger quotas to Turkish goods, or by exempting them from restrictions and dues, or by applying to them a more favourable treatment and a reduced tariff, or by agreeing to reduce the import dues already imposed on all Turkish goods or on some of them, or by contracting to take from Turkey a fixed part of the requirements of their State Monopoly Administrations, or by according to Turkish exports any facilities of a similar nature to those indicated above.

"Permission to import goods mentioned in 'List T' is subject to the approval of the Minister of National Economy, and is to be arranged by means of an exchange of notes. The scope of the permission is proportional to the facilities granted.

"The Ministry of National Economy may also allow the goods mentioned in 'List KL' to be exported to Turkey by countries which fulfil the conditions required for taking advantage of 'List T.'"

4. It is the view of Colonel Woods that if His Majesty's Government are prepared to propose to the Turkish Government that—

(*a*) There will be no exchange restrictions on payments for imports into the United Kingdom from Turkey;

(*b*) The British duty on figs and fig cake will be reduced from 10*s.* to 7*s.* per cwt. (and to 5*s.* per cwt. if all goods of United Kingdom origin at present held up in the Turkish customs warehouses on account of quota restrictions are unconditionally released);

(*c*) No import duty will be imposed on Turkish mohair;

(*d*) That the import duty on Turkish hazel nuts shall not exceed 10 per cent. *ad valorem;*

His Majesty's Government would then be able to claim that they were facilitating and encouraging the export trade of Turkey, and were therefore entitled to be allowed to export to Turkey the goods mentioned in "List T." Furthermore, as the facilities to be given by His Majesty's Government were more than the bare minimum required by article 7 of the decree, and as His Majesty's Government had not, like some other countries, restricted imports from Turkey into the United Kingdom by subjecting them to quotas, or exchange restrictions, His Majesty's Government would be justified in asking to be allowed—

(1) To send to Turkey not only the goods mentioned in "List T," but also those mentioned in "List KL";

(2) To be given favourable treatment in regard to Turkish orders for articles contained in "List V"; and

(3) To be permitted to send to Turkey certain goods (a list(1) of which I enclose), which were of special interest to British trade, but which could not now be exported to Turkey as the new decree forbade their entry; and

(4) That larger quotas be granted in respect of certain goods on "List K" of special interest to the United Kingdom.

5. If it were objected by the Turkish authorities that the above proposals would result in the continuance of their present adverse trade balance, it might be replied that the facilities to be given to Turkey should stimulate Turkish exports, and therefore tend to abolish the adverse trade balance. It might, furthermore, be argued that, as a result of Turkish restrictions on British trade, the trade balance was no longer adverse to Turkey, or, at least, that the adverse balance was rapidly disappearing, and, in view of the facts that Turkey was becoming more and more economically self-sufficient, and that a number of articles of interest to British trade would continue to be subject to Turkish restrictions, it would possibly never be re-established if, indeed, it were not converted into a balance favourable to Turkey.

(1) Not printed.

6. The merit of Colonel Woods's suggestions seems to me to lie in the fact that the exchange of notes stipulated in article 7 of the decree would be a commercial agreement, which would solve the present Anglo-Turkish trade problem ("invisibles" may be a difficulty), and would not need to contain any reference to balancing payments or goods. The effect of such an exchange of notes would be that the United Kingdom would be free to export to Turkey goods mentioned in Lists "T" (facilities), "KL" (clearing), and "V" (Ministries), as well as, possibly, certain classes of goods now prohibited, and would, in addition, by reason of other articles of the decree, be able to export to Turkey goods mentioned in Lists "S" (free) and "K" (quota).

7. It may incidentally be noted, in conclusion, that if, as is now alleged by local British importers, the balance of Anglo-Turkish trade is no longer adverse, or is rapidly becoming less adverse to Turkey, His Majesty's Government may now be, or may soon be, in a position to claim that British exporters are entitled to send goods mentioned in "List KL" (clearing) to Turkey, seeing that His Majesty's Government place no special restrictions on Turkish imports into the United Kingdom, and that the balance of Anglo-Turkish trade is favourable to Turkey (see paragraph 2 (*c*) above).

8. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 5891/117/44] No. 21.

Mr. Morgan to Sir John Simon.—(*Received September* 20.)

(No. 438.)

Sir, *Constantinople, September* 15, 1934.

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 328 of the 7th July, enclosing a copy of a note addressed by him to the Turkish Government in regard to Anglo-Turkish commercial exchanges, and to the Turkish acknowledgment of the 25th July, a copy of which was enclosed in Sir Percy Loraine's despatch No. 363 of the 28th July to you, to transmit to you the accompanying copy of the note which I have received from the Turkish Ministry for Foreign Affairs.

2. It will be seen that the Turkish Government are carefully considering the principles set forth in the British note, and promise to communicate, at an early date, proposals which they hope, in the friendly spirit animating the good relations between the two countries, will lead to a satisfactory result.

3. It will also be seen that the Turkish Government denounce the Anglo-Turkish Commercial Treaty of 1930, which came into force on the 3rd September, 1930, and is binding for five years from that date, taking advantage of the provisions of article 39 of the treaty, but that they make no mention of their intentions in regard to British territories which have acceded to the treaty.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 21.

Note from Turkish Ministry for Foreign Affairs.

M. le Chargé d'Affaires, *Ankara, le* 13 *septembre* 1934.

J'AI l'honneur d'accuser réception de la note que son Excellence Sir Percy Loraine a bien voulu adresser le 6 juillet dernier à son Excellence Tewfik Rüştü Bey, au sujet d'un modus commercial à conclure entre les deux parties.

Le Gouvernement turc prise hautement les dispositions excellentes du Gouvernement de Sa Majesté britannique en vue d'arriver à un accord visant le redressement de la situation commerciale turco-britannique.

Les principes énoncés à cet effet par les autorités britanniques sont étudiés avec soin par le Département compétent, qui se propose de faire bientôt connaître sa thèse d'une façon précise et espère aboutir à un résultat satisfaisant dans l'esprit amical qui règle les bonnes relations entre les deux pays.

Comme il s'agit en l'espèce de réadapter le régime commercial turco-britannique aux nécessités de l'heure présente, le Gouvernement turc trouve le moment opportun pour envisager d'ores et déjà le moyen d'asseoir à l'avenir les modifications requises sur les questions de principe les mieux appropriées.

Il est ainsi tout disposé à négocier, indépendamment des pourparlers visant la conclusion d'un modus provisoire, le remaniement du traité de commerce et de navigation signé le 1er mars 1930 et mis en vigueur le 3 septembre 1930.

Il serait, dans cet ordre d'idées, utile de renoncer à soumettre les relations futures des deux pays au texte dudit traité, que le Gouvernement de la République croit devoir dénoncer à partir de la date d'aujourd'hui, en tenant compte pour la déchéance des engagements contractuels du délai d'un an prévu dans l'article 39.

Veuillez agréer, &c.
M. NUMAN.

[E 5899/1345/44] No. 22.

Mr. Morgan to Sir John Simon.—(*Received September* 20.)

(No. 443.)

Sir, *Constantinople, September* 15, 1934.

I HAVE the honour to transmit to you the accompanying copy of a most interesting report by the military attaché at this Embassy on a tour which he has just made of the Dardanelles area.(1)

2. It will be seen that Major Sampson travelled with the full knowledge of the Turkish General Staff and that throughout he met with the greatest consideration and courtesy from the local authorities.

3. This circumstance, coupled with the fact that Major Sampson was recently invited to inspect an infantry regiment at Constantinople, is a welcome indication that the Turkish military authorities are at last modifying the attitude of cold reserve which they have hitherto maintained towards foreigners in general and nationals of the ex-Allied Powers in particular.

4. Major Sampson gives his impressions of Turkish activities in the Straits zone on pp. 10 and 11 of the report. He sums up his impressions as follows:—

> "The definite fact which emerges at present is that detailed preliminary steps are being taken to make possible a rapid closure of the Straits without any marked breach of treaty undertakings in time of peace."

I have, &c.
JAMES MORGAN.

(1) Not printed.

[W 8834/2531/98] No. 23.

Mr. Morgan to Sir John Simon.—(*Received October* 4.)

(No. 456.)

Sir, *Constantinople, September* 29, 1934.

I HAVE the honour to inform you that the election of Turkey to a non-permanent seat on the Council of the League of Nations has been hailed in the local press as a great political victory for Turkey. The general view is that the League has greatly improved its position, and acquired merit as a result of this election. Considered a few months ago by Tevfik Rüştü Bey as on the point of a non-lamented death, the League is now the "general headquarters of all humanity."

2. For Turkey the election serves as an occasion for recalling the continued increase in her international prestige under the republican régime. The Ottoman Empire stood ignored and despicable among the retainers, the poor relations, and the lepers while the concert of Europe performed. The republic has carved its

way to a leading place in the orchestra. All can see the greatness of its triumph. Turks can take pleasure in remembering the stages of its progress—the War of Independence, the Treaty of Lausanne, entry into the League, and now, a vote on the Council—steps to still higher things.

3. The local press seems to forget that the League exists for other purposes than to be merely an index to Turkey's importance in the world, and to give the Turkish Minister for Foreign Affairs an opportunity of being where all other statesmen are. It makes little reference, too, to those who have aided Turkey to its place on the Council. Persia is singled out for thanks for standing back, and working for Turkey's candidature. Roumania, Yugoslavia and Greece are commended. The other forty-four nations may share out a brief general expression of gratitude. Finally, all are assured that Turkey is working for peace, and that, in an incoherent world, Turkey's policy is frank and straightforward, and inspired by a clear knowledge of what Turkey wants, and of what it means to obtain.

I have, &c.
JAMES MORGAN.

[E 6183/4982/44] No. 24.

Mr. Morgan to Sir John Simon.—(*Received October* 4.)

(No. 464.)
Sir, *Constantinople, September* 29, 1934.

I HAVE the honour to inform you that the 30th Conference of the Inter-Parliamentary Union opened at Yildiz Palace, Constantinople, on the 24th September and closes to-day, the 29th September. It was attended by some 200 delegates from some twenty countries, including, for the first time, a delegation from Persia. A delegation from Italy, which had not been represented for some years at meetings of the conference, was also present.

2. The delegates from Great Britain were headed by Sir Park Goff, K.C., and included Messrs. A. C. Bossom, Rhys J. Davis, Geoffrey Mander, G. K. Peto and Ben Riley. Mesdames Bossom, Mander and Peto also accompanied the party.

3. The most outstanding feature of the conference has been the wonderful reception given to the delegates by the Turkish authorities. The palace at Yildiz was completely refurnished. Facilities in hotels, and in means of transport were freely provided. There was a continuous round of sight-seeing, banqueting, and social functions, and the hospitality was on the most lavish scale. Officials in every part of the country were instructed to waive all formalities, and offer all facilities to any delegate whom they might chance to encounter.

4. The delegates agree that they have never in any of their previous meetings in divers capitals met with such hospitality and been the object of such attention, or been invested with such importance. The head of the British delegation was met on arrival by a delegate from the Turkish authorities responsible for the organisation of the conference, and by police representatives, and was assigned a special car for the duration of his stay. Whatever the results of their discussions, the delegates will carry away from Turkey a lively appreciation and admiration of their Turkish hosts, and a friendly feeling towards Turkey and its people. Their one disappointment has been that the Gazi has not been here to receive them. Whether to supervise the preparations for the approaching visit of the Crown Prince of Sweden, or to avoid meeting the delegates officially in the provinces, the Gazi left Constantinople for Angora on the eve of the delegates' arrival, and his reason for so doing is not definitely known. On the other hand, Kâzim Pasha, President of the Chamber of Deputies, the Vali of Istanbul, and the Acting Minister for Foreign Affairs have on different occasions acted as hosts for the delegates at receptions or banquets.

5. At the sessions of the conference many speeches were delivered about peace, disarmament, security, hours of work, employment of youth, and commerce between nations. The Egyptian delegation raised the question of the abolition of the Capitulations in Egypt. Sir Park Goff, of the British delegation, in his reply, deprecated discussion of the question. Turkish and Persian delegates favoured the Egyptian thesis, while French and Italian delegates opposed it. In the end, discussion of the subject was adjourned indefinitely.

6. Along with the Turkish authorities, the Turkish press have played up nobly to their guests, with one amusing exception. The *Turquie* (the French edition of the *Milliyet*) of the 28th September, in its report of the proceedings of the conference, mixed the photograph which was to illustrate its article, with another intended to illustrate an article on exhibits at a show of domestic animals, with curious results. I enclose copies of the offending newspaper.

I have, &c.
JAMES MORGAN.

[E 6185/4982/44] No. 25.

Mr. Morgan to Sir John Simon.—(*Received October* 4.)

(No. 468.)
Sir, *Constantinople, September* 30, 1934.

I HAVE the honour, with reference to my despatch No. 465 of the 29th September regarding the conference of the Inter-Parliamentary Union, to inform you that Şükrü Kaya Bey, Acting Turkish Minister for Foreign Affairs, gave a dinner last night to the delegates attending the conference. Members of the Diplomatic Corps were also invited.

2. The Acting Minister for Foreign Affairs delivered a speech stressing the dependence of nations on each other in the political, economic, cultural and social spheres, praising the work of the delegates in bringing nations together, and showing how Turkey was working for peace by concluding regional pacts and agreements with a large number of Powers.

3. He was followed by various orators. Among these Sir Park Goff, head of the British delegates, made a good speech expressing his thanks for the magnificent reception given to all the delegates by the Turks, praising the Turks for their qualities in peace and war, and dwelling at some length on the admiration felt for the Gazi in England, and on the ties of friendship which in the past bound Turkey to England and still bind them. He concluded by quoting in Turkish the well-known proverb that "old friends can never be enemies," and wishing, in Turkish, prosperity to Turkey and her ruler. The speech was received with much pleasure and applause by all, and especially by the Turks present.

I have, &c.
J. MORGAN.

[E 6278/117/44] No. 26.

Mr. Morgan to Sir John Simon.—(*Received October* 9.)

(No. 471 E.)
Sir, *Angora, October* 3, 1934.

I HAVE the honour to inform you, with reference to my despatch No. 438 of the 15th September regarding Anglo-Turkish commercial relations, that in the course of an interview yesterday with Numan Bey, Secretary-General at the Ministry for Foreign Affairs, I enquired whether the Turkish Government would soon be able to communicate their reply to the note sent to them by His Majesty's Ambassador on the 6th July, 1934.

2. Numan Bey said that the Ministry for Foreign Affairs was at present putting the finishing touches to the reply of the Turkish Government. He said that his Government were anxious to arrive at an early understanding, as they would like to be able to take advantage of British offers for metallurgical supplies. American and German steel products were no doubt good, but Turkey would like wider competition among supplying firms, and the quality of British goods was uniformly excellent.

3. With regard to the possibilities of arriving at an agreement, he said that he appreciated the British hesitation to enter into an agreement which would explicitly accept the principle of balance of payments. He would do his best to conclude an agreement which would not, in words, violate the principles which both parties were anxious to safeguard in external commercial relations. He hinted that "balance of payments" had loomed importantly in Anglo-Soviet

commercial relations, and "clearing" in Anglo-German trade relations, but said that he was anxious rather to arrive at an agreement in a friendly atmosphere than to run the risk of postponing it by insisting on the use of words or phrases which would not accord with the principles of His Majesty's Government in foreign trade.

4. He told me that he was aware of Colonel Woods's conversation with the Minister of National Economy (reported in my despatch No. 422 of the 4th September), which had for object the suspension, pending the outcome of Anglo-Turkish discussions, of new restrictions on British trade, and had himself urged on Celal Bey the necessity of this suspension.

5. Throughout the interview Numan Bey showed that he was animated by the friendliest sentiments and that he desired to conclude an Anglo-Turkish agreement. He said that he would himself conduct the negotiations, and asked whether it was the intention of His Majesty's Government to send a delegate to conduct negotiations. I said that there seemed to be no such present intention.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN

[E 6326/117/44] No. 27.

Mr. Morgan to Sir John Simon.—(*Received October* 12.)

(No. 474 E.)

Sir, *Constantinople, October* 8, 1934.

IN my despatch No. 422 of the 4th September, I reported that the Turkish Minister of National Economy had promised the commercial secretary to this Embassy that, as preliminary negotiations for a new Anglo-Turkish Commercial Agreement were in course, he would take steps to soften the force of the blow which would be dealt to British trade with Turkey, as from the 1st October, 1934, by the terms of Turkish Decree No. 2/1156 of the 21st August, 1934. The promised mitigation was to take the form of allowing the "free list" known as list "A" to continue to be applied after the 1st October, notwithstanding that, as a result of Decree No. 2/1156, list "A" was to be superseded on that date.

2. During a recent visit to Angora Colonel Woods called on the director of the Türkofis (a Turkish official, Overseas Trade Department) and on the head of the Commercial and Economic Department of the Ministry for Foreign Affairs to find out whether the promise of the Minister of National Economy was being fulfilled. I enclose herewith a copy of Colonel Woods's record of his conversations with these Turkish officials.

3. It will be seen that the officials confirmed that the promise was being carried out, and, furthermore, that it could be given wider scope by the terms of a newly-issued decree to which they drew Colonel Woods's attention, and which empowers the Minister of National Economy to allow countries engaged in commercial negotiations with Turkey to export to Turkey goods specified in lists "KL" and "T"—lists which, under Decree No. 2/1156, may only be of avail to countries having "clearing" agreements with Turkey, or trade balances favourable to Turkey or definitely encouraging and facilitating Turkish export trade. They added, also, that consideration would be given to British offers in the case of goods required by Turkish Government departments (list "V").

4. The officials then suggested that in return for these indications of Turkish goodwill, His Majesty's Government should allow larger imports of Turkish eggs into the United Kingdom. In face of Colonel Woods's objections, they withdrew their suggestion, but they expressed the hope that he would ask His Majesty's Government to permit an increased Turkish egg import. (I submit that some measure of satisfaction might be given to the Turkish Government in this matter by the allotment to them of some of the unallotted great hundreds now at the disposal of His Majesty's Government—see Foreign Office telegram No. 57 of the 22nd September, 1934.)

5. The Turkish officials then passed on to the question of the proposed Anglo-Turkish Trade Agreement. They were anxious to know whether the British proposals constituted a British acquiescence in the principle of balance

of trade or of payments. Colonel Woods gave a negative reply. They then put forward the view—which is, it appears, to be put forward officially—that pending the conclusion of an agreement it would be desirable that a temporary arrangement should be made:—

(*a*) Providing that certain categories of British goods should be exchanged for certain categories of Turkish goods—this system of exchange not to be subject to quota restrictions.

(*b*) Allowing United Kingdom exporters to send to Turkey goods which at present can only be ordered from "clearing" countries, or from countries with which Turkey has favourable balances, or from countries giving facilities for Turkish exports (*i.e.*, goods on lists "KL" and "T"). In return His Majesty's Government would reduce the duty on figs and fig-cake.

6. Colonel Woods has informed me that these two proposals seem reasonable and likely to be of benefit to British traders.

7. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure in No. 27.

Note by Colonel Woods.

ON the 3rd instant I called upon Faik Bey Kurtoglu, President of the Türkofis, in order to ascertain whether the Minister of National Economy had taken any steps to assure that list "A" (the free list under the old decree) would continue to be applied to goods produced or manufactured in the United Kingdom pending the conclusion of a *modus vivendi* agreement.

Faik Bey informed me that he had no doubt himself that the Minister of National Economy would abide by the promise made to me, and in this connexion, he referred me to a decree which had just been promulgated. Article 2 of this decree, as translated by Faik Bey, reads as follows:—

Decree No. 2/1262 of the 19th September, 1934.

Article 2.—The following paragraph is added to article 3 of Decree No. 2/1156:—

With the object of facilitating or stimulating commercial agreements, the Minister of Economy is empowered to allow countries with which he has begun negotiations for an agreement, or is about to conclude an agreement, to export freely to Turkey all or part of the goods mentioned in lists "KL" or "T," annexed to the present decree.

(NOTE.—List "KL" is a list of goods which may only be imported into Turkey from countries with which she has a clearing agreement, or with which trade exchanges are favourable to Turkey. List "T" is a list of goods which may only be imported into Turkey from countries which facilitate and encourage Turkish trade.)

He was confident that under the terms of this decree the Minister of National Economy would, on his return to Angora from South Anatolia, give the necessary instructions to the Customs by virtue of which the old list "A" would continue to be applicable to goods produced or manufactured in the United Kingdom, but Faik Bey added that since my interview with the Minister of National Economy the situation had changed to some extent in that the export of eggs to the United Kingdom was now to be restricted under a quota. He stated that he had just received a telegram from the Minister of National Economy instructing him to approach me on the subject. Faik Bey asked me whether it would not be possible, in return for the concession which Celal Bey had undertaken to grant, to allow Turkey to export to the United Kingdom the same quantity of eggs as she had exported to the United Kingdom during the second quarter of the current year. It was only in 1934 that Turkey had found a market for her eggs, her exports to the United Kingdom in 1933 being a negligible quantity. Faik Bey went on to say that in his private opinion such a concession would be a manifestation of

goodwill on the part of His Majesty's Government, and should, therefore, facilitate our treaty negotiations.

I explained the situation as regards the egg question, but Faik Bey asked me, on instructions from his Minister, to submit the matter to higher authority for favourable consideration. He then proceeded to point out that, in his opinion, article 2, quoted above, provided a basis for a temporary agreement pending the conclusion of a *modus vivendi* arrangement. The Minister, he said, was now authorised to grant to countries about to conclude an agreement the benefits of lists "KL" and "T" in return for tariff concessions in respect of certain Turkish products. At this juncture he looked up some papers that were lying on his desk, and after referring to the same he proceeded to designate certain Turkish products, such as raisins, fresh fruit, figs, fig-cake, carpets, barley, cotton seed cake, walnut wood and boxwood, which might, he thought, be granted tariff reductions in the United Kingdom in return for the grant of the benefits of lists "KL" and "T."

In the evening I met Bedi Bey, head of the Commercial Department of the Ministry for Foreign Affairs, at the Gazi's party given in honour of the Crown Prince and Princess of Sweden. He told me that he was putting the finishing touches to the Minister for Foreign Affairs' reply to our proposals for a *modus vivendi* agreement. He said that he would like to discuss matters with me and made an appointment for the following morning, and he told me that during negotiations it was proposed to submit a list of Turkish products in respect of which certain tariff concessions would be sought from His Majesty's Government. I have no doubt myself that this list will contain those products which Faik Bey referred to when I called upon him in the afternoon.

I called upon Bedi Bey yesterday morning, the 4th instant. He stated that Faik Bey would also be present at our informal and unofficial talk. He then proceeded to discuss our proposals for a provisional commercial agreement. As he said he was not clear in his mind on the point, he asked if our proposals were intended to lead to an agreement which would not have for basis a balance of payments or balance of trade. Bedi Bey thought that it would be difficult for the Turkish Government in actual practice to depart from *their* general economic principles which *were* based on such a system. In reply, I referred him to our note and made it clear to him that our proposals envisaged an agreement *not* based on balance of payments or balance of trade and, in return for such an agreement, envisaged the concessions specified therein. I here remarked that I had no authority to discuss any other basis, but the Turkish Government was at liberty to formulate counter-proposals in their reply to our note. I added, however, that in my personal opinion I thought that much time would be saved if mention was made in their reply of the additional tariff concessions which the Turkish Government proposed to apply for during the negotiations. At this juncture Faik Bey arrived on the scene. As I saw that he was anxious to have a private conversation with Bedi Bey, I offered to wait outside until such time as they were ready to see me. After some considerable time Bedi Bey appeared, profuse in his apologies for keeping me waiting so long. He started the ball rolling by saying that he had cognisance of my conversation with Celal Bey and of his assurances of goodwill. Unfortunately, the position had changed somewhat since my conversation with the Minister of National Economy. He had been given the contents of our last note on the egg question, and he (Celal Bey) hoped that in return for the promised concession, *i.e.*, continuance in operation of the old list "A" (*i.e.*, free list) a counter-concession would be granted by us in the form proposed informally to me by Faik Bey during my visit to him on the previous day. In reply, I asked Bedi Bey whether I was to understand that it was now Celal Bey's intention to make the promised concession conditional on an equivalent counter-concession by introducing the egg question into the picture. I pointed out to Bedi Bey that when the Minister had given me his assurance of goodwill the egg question was not raised. Here Faik Bey whispered something to Bedi Bey, who then changed his attitude. He stated that he felt sure that there would be a 90 per cent. chance that Celal Bey would not introduce the egg element into the picture. He would get into touch with Celal Bey (I believe the Minister was then in Mersin) and would let me have a reply in a few hours' time. He then went on to say that if Celal Bey agreed to keep eggs out of the picture, which he felt sure he would, he, Bedi Bey, would take up the matter of egg restrictions through the proper channel in reply to our last note on this subject.

Bedi Bey then stated that he had two proposals to make—both would be submitted to our Embassy through the proper channels:—

(A) The first proposal was that the compensation clause laid down in our proposals (*i.e.*, goods purchased on a compensation basis would be outside the quotas) should be applied forthwith. Two lists would be prepared, a Turkish list of products and a British list. Exchanges of such products would be effected on a compensation basis pending the conclusion of a *modus vivendi* agreement.

In reply, I asked Bedi Bey whether our cotton and woollen goods could be imported on such basis outside the quotas as well as certain other goods, the import of which was penalised under quotas. Bedi Bey stated that he thought this could be arranged. In reply, I remarked that personally I could see no objection, but this view was personal and unofficial and therefore did not represent the views of higher authorities.

(B) Bedi Bey's second proposal was the following: Goods of United Kingdom origin classified under the tariff items figuring in lists "KL" (clearing) and "T" (facilities), which were not in the old free list "A" would be allowed entry free of restriction in return for tariff reductions on figs and fig-cake.

In reply, I told Bedi Bey that I would submit these proposals to higher authority for consideration. I then took leave of him.

I would submit for your consideration that proposal "A" would be to our advantage. Stocks lying in the customs might possibly be freed under such proposal, as well as certain classes of goods penalised under the quotas which might then be introduced under the compensation system, as was previously done.

Proposal No. 2 (B) is somewhat similar to that which I already submitted to you for consideration, and which you forwarded to the Foreign Office under cover of your despatch No. 430 of the 13th September.

In conclusion, I have to report that late this evening Faik Bey and Bedi Bey told me over the 'phone that they had got into touch with the Minister of National Economy, who stated that he would carry out his promise to me which would assure us the benefits of the old free list known as "A" with the exception of certain tariff items which had since been prohibited under Decree No. 2/1156. These items are the following:—

65A	Beeswax.
208B	Coffee—roasted.
238A	Mustard—in powder.
529D2	Galvanised and painted stove-pipes and tubing for electric wires.
535B1	Varnished stoves.
683A B C	Motor vessels for passengers, cargoes—seagoing and for river and ports.

H. W.

October 5, 1934.

(Later.)

Bedi Bey rang me up this morning. He stated that instructions would be sent to the Customs forthwith in regard to the application of the benefits of list "A" (old free list) to goods produced or manufactured in the United Kingdom; but I do not propose to notify the Department of Overseas Trade until such time as I have actually seen the *ad hoc* instructions to the custom-houses.

Bedi Bey also told me that proposals "A" and "B" would be submitted officially through the proper channels.

It might be of interest to add that during my conversation with Bedi Bey and Faik Bey on the 4th instant, they stated that the Turkish Government was most anxious to arrive at an agreement, and that in the meanwhile the Ministry of National Economy would be more amenable in regard to applications to import United Kingdom products classified under those tariff positions figuring in list "V" (Vekâlet).

H. W.

October 5, 1934.

[E 6428/6428/44] No. 28.

Mr. Morgan to Sir John Simon.—(*Received October* 18.)

(No. 480.)

Sir, *Constantinople, October* 10, 1934.

I HAVE the honour to inform you that a beginning seems to have been made by the Turkish Government on a plan of making the Gazi Institute in Angora a school in which instruction in all subjects will ultimately be in English. It is too early yet to say whether the plan will succeed, or whether it will be persevered in. There exists already a school—Galatasaray at Constantinople—where instruction has, for many years past, been mainly in French, but the idea of a school where instruction would be in English seems to depend for its practical realisation largely on the personal feelings of the head of the Ministry of Education—and there has been no Ministry which has so often changed its head. Account has also to be taken of a quiet opposition to the scheme on the part of the older teachers whose one foreign language has been French, and who fear that the spread of English teaching in Turkey may result in their being turned out of their posts to make way for English-speaking teachers.

2. The modest beginnings of the plan at the Gazi Institute consist in the engagement of two Americans—Rhodes scholars—named Frank and Pendleton. They will teach the three lowest forms (boys from 8 to 12) science and English, and in these forms English will be compulsory. An Englishwoman, Miss Derbyshire, is already teaching English in the upper forms and to post-graduate teachers, and the school authorities have intimated to the Ministry of Education that they would like to have a fourth teacher of English.

3. Elsewhere in Turkey English is to be one of the compulsory languages in primary schools, and an optional language in secondary schools. The text-book used in Turkish schools in teaching English is that of Dr. Fawcett, an American, now apparently resident in Oxford. Dr. Fawcett during his stay in Turkey in 1933 and 1934 strongly advocated the establishment of a school where education would be given in English, but found that though the then Minister of Education was favourably inclined, the opposition of French-speaking Turkish teachers was very strong.

4. Side by side with the desire to spread English among Turks is the wish to see foreign schools in Turkey closing their doors. A recent article in the *Vakit* argues that foreign schools are unnecessary and useless; that they are in no way superior to Turkish schools, and that their existence is incompatible with the Turkish Government's policy of establishing a national Turkish culture. They are described as survivals of the Capitulations, maintained solely to create cultural, political and economic colonies in Turkey, and to establish religious imperialism. The Government is urged to restrict the activities of foreign schools, and to safeguard the culture of the nation, free and independent.

5. One deduces from the newspaper article that foreign schools will be gradually squeezed out, their place being taken by more modern and better equipped Turkish schools in which special attention will be paid to the teaching of foreign languages.

I have, &c.
JAMES MORGAN.

[E 6431/1204/44] No. 29.

Mr. Morgan to Sir John Simon.—(*Received October* 18.)

(No. 484.)

Sir, *Constantinople, October* 12, 1934.

I HAVE the honour to inform you that municipal elections—held every four years—have, for some days past, been proceeding throughout the country. To an outsider, elections would seem unnecessary, as only one party—the Popular party—has taken the field. There has been no need to publish lists of candidates, nor to make promises that may later be inconvenient to fulfil. Nevertheless, not only are elections being held, but no effort has been spared to advertise them and to induce every elector to vote. The dignity and importance of the vote in the

life of the nation is everywhere emphasised. Every town is beflagged, every minaret illuminated at night. Inscribed streamers, strung across the streets every few yards, make constant appeal to the masses. What Turkish woman can resist this?

Turkish woman! Run to the ballot-box!
Use the right the republic has given you!

The appeal to the men is less breathless:—

Fortunate Turk! Vote in the municipal elections!

2. The elections in every place began with a ceremonial parade. The ballot-boxes, decorated with flags and flowers, preceded by bands, and escorted by girls in white and members of the fire brigade, were transported through the roads to the polling booths. Voters could then present themselves and, after producing their birth certificates ("nufus" papers—which every Turkish citizen must carry) for stamping by the officials, were allowed to endorse a list of candidates which most of them saw for the first time. An article in the press showed that the names of the candidates meant little to the voters. It was the exercise of the vote which contented them. One indignant correspondent to a newspaper found even this pleasure denied him. He complained that, living in the depths of the country, he could be traced by every State and municipal tax-collector, but no authority could take the trouble to enter his name on the electoral rolls. He was, he said, fiscally alive, but politically dead.

3. Large numbers of the people have voted, in some cases to show their confidence in the Popular party, in others through fear. These latter realise that the stamping of birth certificates ("nufus" papers) as a preliminary to voting affords the authorities, who are all members of the Popular party, an easy means of ascertaining in the future whether any citizen has voted or not, and of learning thereby the citizen's attitude to the Popular party—a knowledge which will enable the authorities to make life unpleasant for the non-voter.

4. The importance of the elections, therefore, lies in the opportunity it affords the Popular party of estimating the measure of support it has in the country. Voting is direct, and the results of the municipal elections are a better indication of public opinion than the parliamentary elections, where voting is in two stages. It is of interest to the Popular party to be able to know that large numbers of persons have voted for it. The motives of the voters matter little. For this reason, the party is doing all in its power to induce people to vote. The measures taken at the previous elections—mentioned in Sir George Clerk's despatch No. 400 of the 14th October, 1930—to prevent voters from voting have been discarded. No police, gendarmes and fire-hoses are utilised to bar access to the ballot-boxes, and there are even perambulating ballot-boxes, which are carried here and there throughout the streets to afford the too busy or too lazy Turk no excuse for not voting. Voting is made easy for all, so that non-voters can be definitely recognised as opponents of the party, and that those who do vote can, by the magnitude of their numbers, show how greatly the people of Turkey approve the Popular party and the Government it has given them.

I have, &c.
JAMES MORGAN.

[E 6433/4542/44] No. 30.

Mr. Morgan to Sir John Simon.—(*Received October* 18.)

(No. 488.)

Sir, *Constantinople, October* 13, 1934.

I HAVE the honour to inform you that the French destroyers *Cassard* and *Guépard*, under the command of Admiral Rivet, arrived in Constantinople on the 11th October. They will leave again on the 15th or 16th October for Rhodes and Syria.

2. These two destroyers, as reported in my telegrams Nos. 46 and 47 of the 7th October and 48 of the 9th October, were concerned in an incident at the entry of the Gulf of Smyrna. In this connexion, the French Ambassador has now informed me that the true version of the incident is that, some three or four weeks ago, he applied to the Turkish authorities for permission for the two

destroyers to visit Smyrna. The Turkish authorities delayed their reply. The French admiral, then in Greek waters, after waiting for a time, sailed for Smyrna, assuming that the Smyrna authorities would, on his arrival outside the Gulf, inform him whether permission had been granted or not. On being received at the entry of the Gulf by a warning blank shot, he realised that permission had been refused, and drew off. There was subsequently no further gun or rifle fire from either party.

3. An official Turkish communiqué confirms the above statement of the French Ambassador. It is evident that the Turkish and French authorities are both desirous that the incident should not be exaggerated, and that it should not prejudice Turco-French relations. In a previous version given to me by the French Ambassador, he referred to an exchange of rifle fire between the destroyers and the shore, but this is now denied in the light of fuller knowledge.

4. As it is well known that foreign warships are never allowed to go to Smyrna, it is curious that the French authorities should have courted a refusal by applying for permission to send two destroyers there, and more curious that the French admiral should have assumed that Turkish authorisation would be accorded. From hints let drop by the French Ambassador, I gather that he found the attitude of Ismet Pasha and Numan Bey somewhat disagreeable, but that, in the end, the matter was amicably arranged.

5. I am sending a copy of this despatch to His Majesty's Ambassador in Paris.

I have, &c.
JAMES MORGAN.

[E 6434/5161/44] No. 31.

Mr. Morgan to Sir John Simon.—(*Received October* 18.)

(No. 489.)

Sir, *Constantinople, October* 13, 1934.

I HAVE the honour, with reference to my despatch No. 377 of the 4th August, to transmit to you herewith an analysis of law No. 2510 regarding the distribution and settlement of the population.

2. The present Turkish Administration may be said to have two main tasks before it—to modernise Turkey and to nationalise it. The modernisation was the first to be taken in hand and much progress has already been made towards its achievement by such measures as the severing of the ties between religion and the State, the abolition of the fez, the emancipation of women, and the introduction of the Latin alphabet.

3. The nationalisation of Turkey is held to require the elimination of all elements liable to hinder the domination of the Turk in every district and every department of life in Turkey. Means towards this end are the absorption and Turkification of Moslem non-Turk groups (Arabs, Kurds, refugees from European countries), the gradual squeezing out of foreign concerns, the reservation of numerous trades and professions to Turkish nationals, the "purification" of the Turkish language, resentment at the use of foreign tongues by residents in Turkey, and the establishment of economic independence. The new law is an important and logical step in the direction of kneading all Moslem elements into one whole, entirely Turkish in character, speech, manner of life and outlook. It gives the Turkish Government the power to determine the movements and the place of domicile of all the inhabitants of Turkey. It provides at once a machinery for receiving into, and settling in, Turkey elements of Turkish culture at present outside the country and for assimilating the Turkish nationals of non-Turkish culture within it. An act such as the recent driving out of Jews from the strategically important regions of Thrace and the Dardanelles, on which I reported in my despatches No. 332 of the 7th July and No. 358 of the 22nd July, and which the Government at the time took pains to disavow, may, under the new law, be repeated as a legal administrative measure; and, with equal legality, the surviving Kurds of the eastern vilayets can, if not of Turkish nationality, be deported, and if Turkish subjects, be taken from their home-lands and scattered over the face of Anatolia. It yet remains for the Government to define the newly

established zones of installation (articles 1 and 2) and determine what groups and individuals are of Turkish culture (article 3).

4. Time will show to what uses the law will be put. Meanwhile, it cannot be looked upon as an encouragement to the Jews of Kirklareli and Çanakkale to return to their former homes. At the same time, its main object is not so much the harrying of non-Moslem Turkish nationals, as the imprinting of a Turkish character on all Moslem inhabitants and Moslem immigrants. The Kurds of the eastern provinces, the Arabs of South-Eastern Anatolia, the Moslems from Russia, the territories detached under the Treaty of Lausanne, the Greek islands, Greece, the Balkans and Roumania will be scattered among pure Turkish populations, so that they may lose the characteristics of the countries and districts of their birth, and, in a generation, be Turkish in speech, dress, habits and outlook, undistinguishable from their old-established Turkish neighbours. By this means, and by attention to the national health, resulting in an increasing birth-rate, by the present policy of encouraging immigration of Moslems from neighbouring countries, Turkey hopes to build up a well-populated and homogeneous State.

I have, &c.
JAMES MORGAN.

Enclosure in No. 31.

Law No. 2510: *Analysis.*

Preface (articles 1–2).

ARTICLE 1 delegates to the Minister of the Interior the task of determining the distribution and increase of the different elements of the population in accordance with the degree of their attachment to Turkish culture and within the framework of a programme to be elaborated by the Council of Ministers.

Article 2 divides Turkey into the following three categories of zones, which are to be defined on a map to be prepared by the Minister of the Interior and approved by the Council of Ministers:—

Zones No. 1, which it is wished to reserve for the habitation, in a compact form, of persons of Turkish culture.

Zones No. 2, to which those elements of the population are to be moved whom it is wished to assimilate to Turkish culture.

Zones No. 3, which are to be evacuated and from which new settlers are to be excluded because of their geographical situation or for reasons of a hygienic, economic, cultural, political or military nature.

Details of the treatment to be applied to these different categories of zones are given in Chapter III (articles 12–14) and are as follows:—

Zones No. 1 (article 12). No tribe, either settled or nomadic, and no persons of non-Turkish culture may enter these zones. Villagers and tribesmen already in these zones who, though of Turkish race, have forgotten or neglected their language, may be settled in villages of Turkish culture or near main towns. Persons whose mother tongue is Turkish who were settled in these zones before 1914, and who moved out during the Great War and the War of Independence and have received no Government assistance in settling outside, will be reinstalled in their previous homes. Immigrants of Turkish culture coming from abroad, and Turkish citizens of Turkish culture living outside Zones No. 1 will be installed therein, regard being had to climatic and living conditions. Retired soldiers and civil servants of Turkish race may, if they wish, move into these zones with their families.

Zones No. 2 (article 13) are to receive the following classes of persons, who will be settled in districts which the Minister of the Interior shall judge most suitable:—

(*a*) Immigrants and refugees from abroad.
(*b*) Tribes already living in these zones.
(*c*) Persons who are moved out of Zones Nos. 1 and 3.
(*d*) Inhabitants of Zones Nos. 1 and 3 who have done their military service in Zones No. 2 and wish to remain there and marry.
(*e*) Inhabitants of Zones No. 1 of non-Turkish race who wish to settle in Zones No. 2.

The following persons may be moved into Zones No. 2 by decision of the Council of Ministers :—

(*a*) Cultivators with little or no land.
(*b*) Victims of landslides, floods or other such catastrophes.
(*c*) Inhabitants of unfertile, marshy, dangerous or periodically flooded districts, or districts closed for military reasons.
(*d*) Those whose removal is necessitated by cultural, political, administrative, social, military or economic reasons.

Persons of non-Turkish race must not be settled either in villages or towns in such a way as to form a separate quarter or block.

Zones No. 3 (article 14).—Those to be evacuated will be moved into Zones Nos. 1 and 2. No one will be allowed to settle or live in Zones No. 3 without permission of the Council of Ministers.

The remaining articles of Chapter III (15–25) deal with questions concerning the actual installation of immigrants and refugees, such as free transport, temporary free board and lodging, clothing, the grouping together of members of a family for purposes of housing, and the cession of land and material for the construction of houses, &c.

Chapter I (articles 3–7).

Deals with the admittance of immigrants and refugees.

Article 3 distinguishes between immigrants and refugees. The former are defined as comprising members of tribes of Turkish race, settled or nomadic, as well as settled persons of Turkish culture who wish to migrate to Turkey. The Council of Ministers will determine by decree what persons and the nationals of what countries are to be considered as being of Turkish culture. Refugees are those who enter Turkey, not to settle, but in order to take temporary refuge under the urge of some pressing need. If they apply in writing to the Turkish Government for permission to settle in Turkey they will be treated as immigrants. The Ministry of the Interior is to draw up regulations governing the admission of immigrants and refugees.

Article 4 excludes from the category of immigrants—

(*a*) Persons of non-Turkish culture.
(*b*) Anarchists.
(*c*) Spies.
(*d*) Nomadic gipsies.
(*e*) Persons who have been expelled from Turkey.

Article 6 lays on immigrants the obligation of immediate registration on entering Turkey. Those who are allowed to enter the country as immigrants are admitted at once to Turkish citizenship by decision of the Council of Ministers.

Article 7 allows immigrants and refugees of Turkish race, who declare in writing that they do not ask for Government assistance, to settle where they please. Those who ask for Government assistance must go where the Government directs them.

Persons of non-Turkish race, even if they do not ask for Government assistance, must settle where the Government directs them, and may not move without Government permission.

Chapter II (articles 8–11).

Deals with the transfer of population as well as cultural and administrative measures inside Turkey.

Article 8 authorises the Minister of the Interior to move into more favourable districts the inhabitants of villages where the land is ill-suited for cultivation, and the inhabitants, whether settled or nomadic, of districts classified under Zones No. 3, and to collect the inhabitants of scattered villages and place them in more appropriate centres.

Article 9 authorises the Minister of the Interior to settle gipsies of Turkish nationality and nomadic tribes of non-Turkish culture in villages of Turkish culture; to move from the frontier persons suspected of espionage, and to expel from Turkey gipsies of foreign nationality and nomadic tribes of non-Turkish culture.

Article 10 (*a*) abolishes the individual status of the tribe as well as the tribal rights and titles.

(*b*) Transfers all tribal land to the State, to be distributed among those persons, immigrants, refugees, nomadic tribes who have been transplanted, and native cultivators who have little or no land and are included in the property registers.

(*c*) Authorises the Minister of the Interior to move into and settle in Zones No. 2 members of tribes of Turkish nationality but of non-Turkish culture, and move to districts where hygienic and living conditions are good, members of nomadic tribes of Turkish nationality and Turkish culture.

Article 11.—(*a*) Persons whose mother tongue is not Turkish are not allowed to form new villages or separate quarters, nor to constitute groups of workmen or artisans.

(*b*) The Minister of the Interior may, by decree of the Council of Ministers, take any measures which may be considered necessary, including removal and deprivation of nationality, for dealing with persons of non-Turkish culture and persons who, though of Turkish culture, do not speak Turkish.

(*c*) The number of foreigners living in towns and cities must not exceed 10 per cent. of the total number of inhabitants. They may not constitute separate quarters.

Chapter IV (articles 26–30).

Articles 26–28 deal with questions of disposal of property belonging to persons moved from one zone to another.

Articles 29 and 30 oblige persons settled by the Government to remain where they have been settled for at least ten years, and forbid them during that period to alienate their landed property.

Chapter V (articles 31–38).

Articles 31–37 specify in greater detail the customs and other exemptions to be enjoyed by immigrants and refugees, on condition, however, that they first sign a declaration with a view to assuming Turkish nationality.

Article 38 deals with the question of military service to be performed by immigrants. Immigrants of 22 and over will be exempt from active military service and placed on the reserve lists of their class. Those under 22 are obliged to perform their active service, but with certain reductions in the length of service.

Chapter VI (articles 39–41).

Deals with fiscal questions connected with the land, cattle, and agricultural implements granted to immigrants and other persons settled by the Government.

Chapter VII (article 42).

Provides for the formation of a Central Settlement Commission under the presidency of the Minister of the Interior, and composed of delegates of the Ministries of the Interior, National Defence, Foreign Affairs, Finance, Education, Economy, Agriculture, Hygiene, of the Agricultural Bank, and three specialists chosen by the Minister of the Interior. This commission is to be a consultative body, whose business it will be to advise on practical questions concerning the settlement of immigrants and transferred elements of the population. It will examine the districts intended for settlement, study the question of zones, find land and buildings suitable for settlement, advise on the method of expending the credits set aside for settlement purposes, and assure the co-operation of the various departments responsible for sending the settlers to their homes and for maintaining them until they become productive elements of the population.

Chapter VIII (articles 43–47).

Specifies measures for the execution of the law.

Article 43 sets a time-limit of three months for the completion of the work of handing over land, &c., to the settlers, and of one year for the construction and transfer to them of their dwellings.

Articles 44–47 place on the Inspectors-General, or, in districts where there is no Inspector-General, the Governors and Sub-Governors, the responsibility for seeing that these time-limits are not exceeded, and for carrying out the orders of the Council of Ministers and Minister of the Interior. If necessary, they may direct subordinates to supervise all matters relating to settlement and transport, and they may fine such persons for neglect of their duties.

Chapter IX (articles 48–52); *Miscellaneous.*

Article 50 abrogates certain earlier laws concerning immigrants, &c.
Article 51 brings the law into force from the date of its publication.
Article 52 charges the Council of Ministers with the application of the law.

[**E 6438/117/44**] No. 32.

Mr. Morgan to Sir John Simon.—(Received October 18.)

(No. 493 E.)

Sir, *Constantinople, October* 14, 1934.

I HAVE the honour, with reference to my despatch No. 438 of the 15th September, 1934, regarding Anglo-Turkish commercial relations, to transmit to you the accompanying copy of the reply of the Turkish Government to the note sent to them on the 6th July, 1934, by His Majesty's Ambassador, putting forward proposals which it was hoped would lead to a satisfactory commercial agreement with the Turkish Government.

2. I enclose an analysis of the Turkish reply which has been made by the commercial secretary to this Embassy. With reference to Proposal C, Colonel Woods has prepared a list of items the free or rationed entry of which into Turkey would, he considers, be of interest to British trade. This list, together with his comments thereon, forms the subject of my immediately following despatch.

3. In brief, the Turkish counter-proposals contemplate a condition of affairs in which there will be no transfer of "devises" from one country to the other. In addition, the Turkish Government express a desire for duty-free introduction into the United Kingdom of some products, reduction of duty on others and the allocation of satisfactory quotas to Turkey by His Majesty's Government in the event of the introduction of a quota system in the United Kingdom.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

Enclosure 1 in No. 32.

Rüştü Bey to Sir P. Loraine.

M. l'Ambassadeur, *Ankara, le* 10 *octobre* 1934.

J'AI l'honneur de vous accuser réception de la note que vous avez bien voulu m'adresser le 6 juillet dernier à l'effet d'exposer les aperçus britanniques sur le modus commercial à conclure entre la Turquie et l'Angleterre. Je suis très sensible à la bonne volonté avec laquelle votre Gouvernement a bien voulu répondre aux vœux du Gouvernement turc et suis convaincu que les échanges turco-britanniques ne feront que bénéficier de ces bonnes dispositions.

Vos observations furent, bien entendu, étudiées par les services compétents avec tout le soin qu'elles méritent, et leur laissent espérer fermement qu'il serait possible, grâce aux intentions amicales des deux parties, de les adapter aux exigences de la politique économique du pays. Je me plais ainsi à croire que les propositions que je vous présente ci-dessous seront d'autant plus facilement agréées par le Gouvernement de Sa Majesté britannique qu'elles sont, d'autre part, compatibles avec les accords récemment intervenus entre l'Angleterre et certaines autres Puissances, et ainsi conformes aux suggestions formulées à cet effet dans la note de votre Excellence.

Je conviens parfaitement que le nouveau modus à conclure aurait pour visée de remplacer l'article 16 du Traité de Commerce de 1930, de lui substituer un

régime mieux approprié aux circonstances de la crise, et de développer, dans ces conditions, les échanges commerciaux entre nos deux pays.

Il va sans dire que toutes les autres dispositions du traité continueront à jouer intégralement aussi longtemps que cette convention resterait valide.

En ce qui concerne les principes plus précis, énoncés dans votre note, les autorités compétentes sont d'avis qu'il y aurait lieu de les retoucher comme suit pour les rendre facilement acceptables :

(*a*) Le Gouvernement turc est disposé à arriver, sous n'importe quelle dénomination, à un arrangement pouvant prévenir tout transfert de devises d'un pays vers l'autre.

(*b*) L'Angleterre bénéficierait, sous réserve de réaliser les mêmes conditions, de tous avantages accordés par la Turquie à tout autre pays.

(*c*) Certaines catégories de marchandises à déterminer d'un commun accord seraient admises en Turquie à la libre importation, ou des contingents satisfaisants leur seraient alloués le cas échéant.

(*d*) Les marchandises anglaises fournies par crédits à longue échéance seront introduites hors contingentement.

(*e*) Les marchandises achetées en compensation, suivant des listes réciproques, entreraient hors contingentement. L'Angleterre aurait la faculté d'importer les marchandises turques de cette catégorie sur le territoire des pays qui n'ont pas échangé avec la Turquie aucun traité, convention, accords commercial, provisoire ou définitif.

Je vous serais très reconnaissant de soumettre à votre Gouvernement les desiderata suivants du Département de l'Économie :

(1) Le Gouvernement britannique accorderait ou maintiendrait la franchise douanière en faveur des produits turcs figurant sur la liste F ci-jointe.

(2) Il opérerait des réductions tarifaires dans les proportions prévues, en faveur des produits indiqués sur la liste R ci-annexée.

(3) Il allouerait des quotas satisfaisants à la Turquie, par égard à ses capacités d'exportation, au cas où il instituerait un régime de contingentement portant sur tel ou tels articles.

Je tiens en attendant à ajouter que toutes ces demandes pourraient être débattues, au mieux de nos intérêts réciproques, au cours des pourparlers en vue de conclure le modus projeté. Cela m'amène à faire ressortir l'intérêt qu'il y aurait à accélérer l'ouverture de ces négociations et je vous serais très reconnaissant de bien vouloir intervenir également à cet effet auprès de votre Gouvernement.

Veuillez, &c.
Dr. T. RÜŞTÜ.

Annex 1 to Enclosure 1.

Liste F.

Figues.
Orge.
Seigle, alpiste.
Son et déchets de minoterie.
Tourteaux, mares et débris de végétaux usités dans les usines.
Coton.
Vallonnée.
Mohair.
Tronc de buis.
Tronc de noyer.
Bois de construction de toute sorte.
Des peaux de chevreau, d'agneau, de chèvre, de mouton.
Toisons propres à la confection de fourrures et articles de pelleterie.
Minerais :

Cuivre.
Chrome.
Émeri, &c

Annex 2 to Enclosure 1

Liste R.

Raisins secs	...	...	7*s.* par cwt.	
Noisettes	...	...	1 pour cent	*ad valorem.*
Amandes	...	...	1 pour cent	,, ,,
Noix	...	...	1 pour cent	,, ,,
Pistaches	...	...	1 pour cent	,, ,,
Tapis	...	...	10 pour cent	,, ,,

Œufs :

Le great hundred (120) ne dépassant pas	14 lb.	1*s.*
Le great hundred (120) ne dépassant pas	17 lb.	1*s.* 6*d.*
Le great hundred pesant plus de ...	17 lb.	1*s.* 9*d.*

Enclosure 2 in No. 32.

Memorandum.

Proposal A.

WHILST not insisting upon a clearing agreement operating through clearing houses, the Turkish Government will not deviate from their economic policy, which is based on a balance of payments, and, therefore, the problem of "invisibles" is likely to arise. This proposal completely torpedoes the essential basis of Scheme "B" as formulated in our note of the 6th July.

Proposal B.

This clause seems to imply that the Turkish Government will grant us, in the event of an agreement being reached, the treatment specified in Proposal (C), which is the basis of the majority of clearing agreements.

Proposal C.

This fulfils the requirements of paragraph (*c*) of the proposals contained in our note of the 6th July last to the Minister for Foreign Affairs.

Proposal D.

This proposal is in accordance with clause (*d*) of our proposals.

Proposal E.

This is satisfactory, for it more than fulfils clause (*e*) of our proposals to the Turkish Government, as it does not insist that Turkish goods exported in compensation should be imported into the United Kingdom only.

The Turkish counter-proposals contain two lists :—

List "F" specifying products which it is desired to introduce duty free into the United Kingdom. It will be observed that this includes figs.

List "R" specifies specific reductions in the existing customs duties on sultanas, hazel nuts, almonds, walnuts, pistachio nuts, carpets and eggs; further, the Turkish Government ask for an undertaking that, in case the United Kingdom applies a quota system on the importation of certain articles, the share allocated to Turkey shall be in proportion to the capacity of its exportation.

This stipulation in view of the treatment meted out to us during the past two or three years does not err on the side of modesty.

H. W.

October 13, 1934.

[E 6663/4564/44] No. 33.

Mr. Morgan to Sir John Simon.—(*Received November* 1.)

(No. 503.)

Sir, *Constantinople, October* 24, 1934.

I HAVE the honour to transmit to you the accompanying copy of a despatch(1) from His Majesty's consul at Trebizond containing some information regarding the Dersim Kurds which he obtained during a recent journey to Gümüşane.

2. The Kurds of Dersim, a wild and mountainous region lying between Erzincan and Elaziz (Harput), well to the west of the other Kurdish districts in Turkey, have been well behaved in recent years and took no part in the series of Kurdish risings which began with Sheikh Said's revolt in 1925. They have thus so far escaped the heavy hand of the republic, whose principles they have, it may be assumed, hitherto completely failed to assimilate. Incidents such as those mentioned by Mr. Matthews may provide the authorities with just the excuse they desire for a campaign of repression during the spring or summer of next year.

I have, &c.

JAMES MORGAN.

(1) Not printed.

[E 6664/6664/93] No. 34.

Mr. Morgan to Sir John Simon.—(*Received November* 1.)

(No. 505.)

Sir, *Angora, October* 25, 1934.

I HAVE the honour to inform you that the press reports that four warplanes, sent by the Iraqi Government to participate in the coming celebration of the eleventh anniversary of the establishment of the Turkish Republic, arrived in Angora on the 24th October. They were met at the Angora landing-ground by Salim Cevat Pasha, Turkish Under-Secretary of State for Air at the Ministry of National Defence, Ayni Bey, head of the air-routes administration, and a number of Turkish aviators. During their stay in Angora they are to be the guests of the Turkish Government, and will be accommodated in the Officers' Club.

2. The names of the Iraqi aviators are given as Major Mehmet Ali Bey, Captain Ekrem Mushtak, and Lieutenants Nasif Bey and Aziz Bey.

3. I am sending a copy of this despatch to His Majesty's Ambassador in Bagdad.

I have, &c.

JAMES MORGAN.

[R 6062/243/7] No. 35.

Mr. Morgan to Sir John Simon.—(*Received November* 1.)

(No. 514.)

Sir, *Angora, October* 26, 1934.

I HAVE the honour, with reference to my despatch No. 466 of the 29th September, to inform you that, according to the press, considerable numbers of Turkish immigrants from Roumania and Bulgaria continue to arrive in this country. Two thousand persons are stated to have reached Constantinople from Roumania on the 21st October, and to be destined for settlement at Gallipoli and other places in Thrace. A thousand more are declared to be awaiting shipment at Constantza. One thousand immigrants from Roumania and Bulgaria are stated to have arrived at Tekirdag (Rodosto) some days ago.

2. There seems little doubt that this emigration is encouraged by the Turkish Government through a desire to increase the population of Turkey, and to people sparsely inhabited areas with Turkish elements, in order to make the country stronger and more prosperous.

3. I am sending copies of this despatch to His Majesty's Ministers at Bucharest and Sofia.

I have, &c.
JAMES MORGAN.

[E 6793/117/44] No. 36.

Sir P. Loraine to Sir John Simon.—(*Received November* 8.)

[By Post.]

(No. 24. Saving. Very Confidential.)
(Telegraphic.) *Constantinople, November* 3, 1934.

MY despatch No. 493 E of 14th October.

Faik Bey, president of Turkofis (an organisation in some ways resembling Department of Overseas Trade), and at same time one of chief negotiators of Turkey's commercial treaties with foreign countries, has submitted, confidentially and orally, in conversation with commercial secretary, certain unofficial proposals for a commercial *modus vivendi*.

He urges that they should be submitted to Turkish Government as emanating from His Majesty's Government, and says he would see to them being accepted by the latter [*sic*: ? former]. They must, however, in no way appear as emanating from him and no reference should be made to him in their connexion.

These proposals, which are set forth in my immediately following Saving telegram, are very appreciably more favourable to His Majesty's Government than Turkish official counter-proposals enclosed in my despatch under reference.

I beg that they may receive urgent consideration. If on consideration you regard their framework as acceptable and as likely to lead to satisfactory provisional agreement, I much hope that every effort will be made to increase Turkish quota for eggs. I am aware that this question is an awkward and difficult one, but I do feel that inability to help Turks in regard to it may well wreck this prospect of an early agreement, on lines much nearer to our desiderata than I thought we were likely to obtain.

[E 6791/117/44] No. 37.

Sir P. Loraine to Sir John Simon.—(*Received November* 8.)

[By Post.]

(No. 25. Saving.)
(Telegraphic.) *En clair.* *Constantinople, November* 3, 1934.

VARIOUS British products will be allowed into Turkey free of import restrictions (but not of course free of duty). All these products will be incorporated in a list which will be composed—

(*a*) Of the tariff items at present included in the list of imports allowed to enter from all countries free of import restrictions (this list is designated by the Turkish Government as List "S").

(*b*) Of the items composing List "KL," *i.e.*, goods which at present can only be imported from countries having clearing agreements with Turkey.

(*c*) Of the items composing List "T," *i.e.*, goods which at present may only be imported from countries which facilitate and encourage Turkish trade.

2. Very liberal quotas will be granted to the United Kingdom in respect of certain tariff items, the import of which is restricted under quotas with a view to the development of national industry.

3. The compensation (*i.e.*, barter) system will be reintroduced. In this connexion, Turkish produce may be exported not only to the United Kingdom in compensation for imports from the United Kingdom, but to Dominions, Colonies, &c., as well as to foreign countries having no clearing or other agreements with Turkey.

4. List "V" (*i.e.*, goods which may only be imported under licence from a Government Department) will be maintained, but there will be no discrimination against the United Kingdom in respect of the issue of import licences.

At the end of every six or twelve months United Kingdom statistics will be taken as a basis for determining the value of Turkey's exports to the United Kingdom, and Turkish statistics will be taken to determine the value of the United Kingdom's exports to Turkey. If United Kingdom exports to Turkey exceed Turkey's exports to the United Kingdom, or *vice versa*, restrictions will be applied until such time as the trade balance is adjusted or equalised.

5. Government purchases will be outside the scope of the agreement as well as invisible exports.

Purchases on long-term credits will be governed by special agreements between British supplying groups or firms and the Turkish Government. The governing policy will be based on the principle of clearing systems, but part payment of the annuities may possibly be effected in foreign currency. This partial payment in "Devisen" would generally apply to purchases by the Ministry of National Defence.

6. In return for the above proposals the following concessions are to be granted by His Majesty's Government:—

(1) A reduction of the duties on figs, viz., 7*s.* instead of the present rate of 10*s.* 6*d.*

(2) There will be no increase in the present duties on raisins, and a declaration will be made to the effect that the question of a reduction of the duty on raisins will be favourably considered when the grant of such reduction is possible.

This would be a face-saving clause, as it was realised that nothing could be done under the existing Ottawa Agreement.

(3) An increase in the egg quota at present allowed to Turkey.

(4) The exemption of boxwood from customs duties and the stabilisation of the present existing duties or exemptions from duties on the other articles figuring in List "F" attached to the official counter-proposals submitted by the Ministry for Foreign Affairs (enclosed in Embassy despatch No. 493 E of 14th October), and with regard to List "R," also attached to the counter-proposals, a possible reduction of the duty on carpets, the duties on the other items mentioned in List "R" being maintained at their present rate.

[E 6829/264/44] No. 38.

Sir P. Loraine to Sir John Simon.—(*Received November* 12.)

(No. 518 E.)
Sir, *Angora, November* 1, 1934.

I HAVE the honour, with reference to my despatch No. 513 of the 26th October, to transmit to you the accompanying copy(1) of decree No. 2/1356, stipulating the conditions under which private enterprise may take part in the cotton textile industry.

2. With the projected development of a State-controlled cotton textile industry under the five-year industrial programme, it was to be expected that the Government would take steps to regulate and restrict the competition of private enterprise in this direction (see paragraph 5 of the commercial secretary's despatch No. O.T. (B) 26/34 of the 16th January).

(1) Not printed.

3. The essential features of the new decree are the following :—

(*a*) The amount of textile machinery which may be imported by private firms for new cotton spinning and weaving plants must not exceed 35,000 spindles and 600 looms. This machinery may only be imported from clearing countries or other countries whose trade balance is not unfavourable to Turkey, and which have imposed no restriction on the importation of Turkish produce.

(*b*) Existing cotton spinning and weaving factories may renew their plant by importing spindles and looms equal in numbers to those it is desired to replace, but on condition that the replaced machinery is rendered unusable or is exported from Turkey.

(*c*) Weaving machinery required in connexion with the manufacture of cotton plush, velvet, hand towels, upholstery fabrics, curtains and cotton textiles mixed with animal and vegetable fibres may be imported without restriction.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

E 6904/1204/44 — No. 39.

Sir P. Loraine to Sir John Simon.—(*Received November* 15.)

(No. 520.)

Sir, *Angora, November* 2, 1934.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 412 of the 1st November, 1933, in which he reported on the celebrations for the tenth anniversary of the Turkish Republic, to inform you that similar celebrations for the eleventh anniversary have been held this year.

2. This year they were variations on last year's theme. The City of Angora was brilliantly illuminated, showing a splash of light, which was absent last year, where the new exhibition hall has been constructed opposite the Ministry for Foreign Affairs. The streets were hung with banners bearing the same inspiring mottoes as last year. Attention was called to the newly established industries by a motto which read : "Formerly we imported wheat; now we even manufacture cotton."

3. On the 28th October a monument in honour of the gendarmerie and police force was unveiled. Two large megalocephalous figures, cast in Austria, stand against a massive red granite background, the *ensemble* designed by another Austrian, the whole being mounted on a kind of terrace with a deep bas-relief frieze by a third Austrian.

4. On the following day, the anniversary itself, the President of the Republic received Turkish officials in the Grand National Assembly at 12·45. At 1·30 his Excellency received the Diplomatic Body, who subsequently proceeded to the race-course for the parade. There was a delay of an hour and a half before the parade began, the delay being due to the fact that in the interval the President was receiving M. Titulescu, M. Maximos and M. Pouritch, whose arrival for one of the periodic consultations provided for by the Balkan Pact coincided with the national anniversary.

5. When his Excellency, accompanied by the Balkan Ministers, arrived at the race-course it was noticed that he entered by the back of the grand stand, and did not, as previously, drive slowly round the course to the acclamations of the populace. It is possible that the psychological aftermath of the Marseilles assassination may have caused this change of procedure. Troops, students, schoolchildren, boy scouts, girl guides, athletes and mounted villagers from neighbouring districts then marched past in the traditional style for an hour and a half, some sixty aeroplanes of all types meanwhile manœuvring overhead. Iraqi and Persian aviators, who had flown from their respective countries, took part in this air display.

6. In the evening there was a torch-light procession, and an unofficial ball at the People's House.

7. On the 30th October the new exhibition hall was officially inaugurated by the Prime Minister. The exhibition was arranged so as to reveal the difference between the industrial life of Turkey before and after the Treaty of Lausanne. The building itself is one of two prominent buildings in Angora designed by Turkish architects. The other is the as yet unfinished house of the Minister for Foreign Affairs.

8. The celebrations came to a close on the 30th October with a dinner given by the Minister for Foreign Affairs to his colleagues on the Council of the Balkan Pact. This was followed by a reception for the Diplomatic Body and Turkish notables. There was no dancing, on account of mourning for the late King Alexander of Yugoslavia.

9. In conclusion, it may be said that, although the celebrations were in every way successful, they lacked the special enthusiasm and glamour of those of last year.

I have, &c.
PERCY LORAINE.

E 6905/6905/44 — No. 40.

Sir P. Loraine to Sir John Simon.—(*Received November* 15.)

(No. 521.)

Sir, *Angora, November* 2, 1934.

I HAVE the honour, with reference to your despatch No. 354 of the 29th August last, to transmit to you the accompanying copy of a report by Mr. Consul Matthews on his recent visit to Gümüşhane.

2. The report is of interest as showing that there is a marked activity in road construction in this district, accompanied by an improvement in general economic conditions.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 40.

Consul Matthews to Sir P. Loraine.

(No. 69.)

Sir, *Trebizond, October* 17, 1934.

I HAVE the honour to report, with reference to my despatch No. 66 of the 15th instant, regarding my recent visit to Gümüşhane, that the road between Trebizond and Gümüşhane, has been much improved since my last visit in 1930 and is now in excellent condition. Numerous bridges, viaducts and other works of art, of which the most striking is a reinforced concrete shelter near the top of the Zigana Pass on the northern or Trebizond side, have been constructed, and with the exception of some 5 kilom. between Torul (Ardasa) and Gümüşhane the road has been entirely remade during the last three years. Beyond Gümüşhane, the road has been reconstructed as far as the Kop Mountain, and I was informed that by the end of the year only 35 kilom. of road would remain to be remade in the Gümüşhane Vilayet. The reinforced concrete shelter mentioned above was constructed in 1933 at a cost of £T. 12,000 at a point where avalanches occur every winter, and where in past winters more than twenty human lives have been lost. The engineer who constructed it told me that it was rather in the nature of an experiment, but it had proved its value last winter and he was confident that it would be a success.

2. Large sums of money have been expended on the road. During the last three years, the expenditure has amounted to £T. 3,200,000, of which the sum of £T. 2,800,000 was spent in the Gümüşhane Vilayet, and the balance in the Trebizond and Erzerum Vilayets. This money has been provided by the

Ministry of Public Works, and a grant of £T. 260,000 has been promised for the work to be carried out in 1935. The Minister of Public Works, Hilmi Bey, resigned at the beginning of this year, and for some months fears were entertained that work on the road might be interrupted owing to lack of funds. However, strong pressure was brought to bear upon Ali Bey, the new Minister of Public Works, by Army Inspector-General, Ali Sait Pasha; Hasan Bey, a Gümüşhane Deputy; and the local authorities, with the result that funds for future work have been provided. I was informed that practically all the money spent on the roads remained in the country. Stone was obtained locally, and cement from Constantinople and Smyrna. Iron rods for the reinforced concrete were almost the only material obtained from abroad. The largest item of expenditure was constituted by salaries and workmen's wages. This item represented 70 per cent. of the expenditure. Steam rollers had been provided by the Ministry of Public Works, and of five which I saw in Gümüşhane three were of German manufacture ("Deutz").

3. I congratulated the chief engineer of the Gümüşhane Vilayet on the work accomplished, and enquired what arrangements had been made for the upkeep of the road. He stated that provision was being made for one workman to every kilometre of the road, and for depots consisting of three living-rooms, a stable, coach-house and two lavatories every 20 kilom. The staff of these depots was to consist of five to seven men, including a foreman, whose duty it would be to inspect and keep the road open. In case of urgency, extra labour would be obtained from neighbouring villages. I spent the night of the 9th–10th October at Torul (Ardasa) and was shown the site and foundations of one of these road-upkeep depots.

4. During the last three summers—work ceases of necessity during the winter months—thousands of workmen have been employed on road-making, and the wages paid have had a very beneficial effect on the local economic situation. Shops and inns have been built or repaired in the villages along the road, some deserted villages have been reoccupied and at least one new village has been founded. Labour is cheap and abundant, and there is no question of trade union hours or a "ca'canny" system of working. The best labourers come from Aluera, between Kelkit and Şark-karahisar, and with a short interval for the midday meal these men work from 4 A.M. to 6 P.M. and later. They eat little but bread, of which, however, their daily consumption is 4 okes or about 11 lb. avoirdupois *per capita*.

5. There was a good deal of traffic on the road, both going towards and coming from Trebizond. Motor lorries, large and small, transporting passengers and merchandise to and from Trebizond and places as far away as Malatya, Diarbekir and Bitlis, were seen, as well as carts and pack animals conveying commodities such as oil and sugar from the coast and local products such as chopped straw and skins to Trebizond. Motor cars and lorries accomplish the journey from Trebizond to Erzerum in eight or nine hours, and from Trebizond to the Persian frontier by way of Erzerum and Karaköse in two days during the summer. Unfortunately, the transit trade between Trebizond and Northern Persia is at present at a low ebb, but two enterprising Trebizond firms, the "Yildirim" and "Yilmaz" garages undertake through bookings of passengers and goods from Trebizond to Tabriz and Tehran.

6. There were five motor bicycles, all of British manufacture, two B.S.A. and three "Matchless," at Gümüşhane, owned by engineers and officials of the Ministry of Public Works engaged on road-making.

7. I was much impressed by the improvement that has taken place in Gümüşhane during the last four years. A considerable number of new houses were being built, and the town looked much cleaner and more prosperous than in 1930. The local style of architecture is being preserved, and the houses continue to be roofed with several ply of thin strips of pitch pine which has been found to be more practical than galvanised iron sheeting imported from Europe. However, a few houses under construction were being roofed with galvanised iron.

8. Gümüşhane is famous for its apples and pears, and this year's crops are of good quality and abundant. I was informed that the wheat crop in the Bayburt kaza of the Gümüşhane Vilayet was this year above the average, both as regards quantity and quality.

9. During my stay at Gümüşhane I exchanged calls with Ethem Bey, the Vali, who is about 40 years of age. He has been three years at Gümüşhane and

is said to be energetic and honest. He informed me that he had previously been stationed at Urfa, Sinop and Kars, and that he liked his present post.

10. The municipal elections had taken place at Gümüşhane shortly before my arrival, the candidates of the People's party being elected. The mayor is Muhsin Bey, a member of the family of the Beys of Belahor and a cousin of Hasan Bey, a Deputy of Gümüşhane.

11. I received some hospitality at Gümüşhane from Hüseyin Bey, a local resident and a brother of the Deputy, Hasan Bey, who told me that he had befriended Colonel Rawlinson during his enforced residence at Erzerum after the armistice, and that he had intervened successfully in favour of the British botanists, Mr. E. K. Balls and Dr. W. Balfour Gourlay, being allowed to visit certain mountains in the Gümüşhane district this summer.

12. I attach hereto a statement showing the time taken on the journey.(1) I travelled by motor car at a reasonable speed, partly because I was accompanied by my wife and small daughter and partly because I wanted to see the country.

I have, &c.
W. D. W. MATTHEWS.

(1) Not printed.

[E 6908/1204/44] No. 41.

Sir P. Loraine to Sir John Simon.—(Received November 15.)

(No. 528.)

Sir, *Angora, November 5, 1934.*

I HAVE the honour to inform you that the annual ceremony of the opening by the President of the Turkish Republic of a new session of the Grand National Assembly took place on the 1st November. It was attended by the diplomatic body, to whom translations in French of the President's opening speech were distributed. I enclose herein a copy of the French translation.(1) A great part of the speech being in the "new Turkish," translations into "Ottoman Turkish" of a large number of the words were distributed to the Deputies, so that they might follow the speech with comprehension.

2. The President, in his speech, expressed gratification at the development of industrial organisation, the establishment of commercial relations with foreign countries on a basis of reciprocity and balance of exchanges, the stability of Turkish money and Turkish finance, and at Turkey's labours for peace. On referring, with some emphasis, to the Balkan Pact, he provoked loud cheering from the benches, stimulated by the presence at the ceremony of the Greek and Roumanian Ministers for Foreign Affairs and the Yugoslav Deputy Minister for Foreign Affairs, who are now in Angora deliberating about the pact and its implications, and, with Tevfik Rüştü Bey, form what is called the Council of the Balkan Pact. At the close of the speech the Gazi stated that, at the recent municipal elections, more than 75 per cent. of the voters of Turkey had exercised their right to vote. He considered this a manifest proof of the interior unity of the Turkish people.

3. A new reform, intended to rank with the literary, social, religious and sartorial reforms of the republic, was announced during the speech. This was the reform of Turkish music. On this point the Gazi said that Turkey's music was far from doing her honour, and that it was necessary that the thoughts and feelings of the Turkish people should be expressed in accordance with the generally-adopted rules of modern music, so that Turkish music might be elevated and take a worthy place in the world of music.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 6914/6914/44] No. 42.

Sir P. Loraine to Sir John Simon.—(Received November 15.)

(No. 540.)

Sir, *Angora, November 9, 1934.*

I HAVE the honour to inform you that the semi-official Anatolia Agency on the 6th November announced that a German military mission had arrived in Turkey to study the Turkish army and Turkish military institutions, and had been entertained to a banquet at the Angora Palace Hotel by General Asim Pasha, Deputy Chief of the General Staff. The agency gave the names of the officers composing the mission as Lieutenant-Colonels Yodle and Rhode, and stated that they would stay at Angora as the guests of the Turkish army until the 10th November, when they would leave for Constantinople and remain there for a few days before returning to Germany.

2. My military attaché understands that the German Government had asked that these two officers be attached to Turkish units, but that this request was refused by the Turkish Government, who, however, agreed that they should be invited to Angora as the guests of the army. Major Sampson believes that they are being shown much more than any military attaché has been allowed to see. They do not, however, strictly constitute a military mission.

3. I am sending a copy of this despatch to His Majesty's Ambassador at Berlin.

I have, &c.
PERCY LORAINE.

[E 6915/3652/44] No. 43.

Sir P. Loraine to Sir John Simon.—(Received November 15.)

(No. 544. Confidential.)

Sir, *Constantinople, November 10, 1934.*

I HAVE the honour to inform you that, since my return from leave of absence, I have had two lengthy conversations with the Turkish Minister for Foreign Affairs in Angora, in which his Excellency was good enough to explain to me his views on a variety of problems in the realm of international politics, some of immediate and others of indirect interest to Turkey, and to indicate the general thread of policy of the Turkish Government in regard to them.

2. I have endeavoured to condense the gist of these conversations in the ensuing paragraphs, and trust that the present despatch, when read in conjunction with my despatch No. 335 of the 7th July last, may be of some assistance in enabling you to appreciate the present trend and scope of Turkish foreign policy.

3. In my telegrams No. 53 of the 4th November and No. 57 of the 8th November, I have already acquainted you with the upshot of the recent meeting in Angora of the Council of the Balkan *Entente*. Its principal work, so Tevfik Rüstü told me, was the strengthening of the political relations and especially of the good feeling between the four partners.

4. As regards the Balkan *Entente* generally, Tevfik Rüstü Bey's thesis seemed to be that with the closer organisation of this international group a step forward was being made in the process of ensuring international peace on a basis of security and non-revisionism. He pointed out that in their broad aims, there was not any material difference, but on the other hand a great sympathy, between the Balkan *Entente* and the Little *Entente*. There was, however, no intention of effecting any fusion of the two groups. The great difference between the two groups was that, owing to their geographical position, the factor that loomed largest among their respective external problems and preoccupations was, in the case of the Little *Entente*, Germany; in the case of the Balkan *Entente*, Italy. He repeated that this circumstance was dictated by geographical considerations which it would be as futile, as it was actually impossible, to ignore. So much for the smaller Powers who were frankly set against the revision of the frontiers laid down by the peace treaties. As regards the great Powers, both the Balkan

Entente and the Little *Entente* felt themselves in sympathy and understanding with what he called the anti-revisionist group of the great Powers, viz., England, France and Russia. Of the great European Powers, there therefore remained Germany and Italy, both of which were, be it incidentally noted, faced with a grave economic situation, from which they might, or might not, emerge successfully. Towards these two countries the Little *Entente* and the Balkan *Entente* could not feel the same sympathy as they did towards what his Excellency called the Anglo-Franco-Russian group. This did not mean, however, an attitude, in the one case or the other, of hostility or sullenness towards Germany or Italy, although it did mean one of watchfulness and care; the better their relations with those Powers could be, the better pleased would be the States forming these two *ententes*, and from these regional *ententes* there would certainly never be any suggestion of provocation towards the powerful neighbours with whose policy they felt themselves least in sympathy; but obviously, if revisionism on the part of either of those two great Powers went beyond the region of doctrine, a difficult situation might be produced, as there would then be a threat to the organisation of peace and stability as pursued by these regional groupings.

5. As an instance of this non-provocative attitude, Tevfik Rüstü cited the advice given by Roumania as well as by Turkey and Greece to Yugoslavia—advice perhaps implied rather than offered, in view of the evident Yugoslav susceptibility in the matter—to calm and in no case to fan the passionate feeling of resentment that had run through the whole of Yugoslavia at the time of the assassination of King Alexander. Tevfik Rüstü Bey told me that it was difficult to realise, except as he had been able to do at first hand, the depth and spontaneity of this Yugoslav resentment. The King had done much in his life to effect the union of the Southern Slavs; the manner of his death had done more to serve that purpose than all that His Majesty had been able to do when alive. The French had been wise and generous enough to admit negligence, and this admission had disarmed the first movement of Yugoslav indignation against France. The settled feeling now was that the assassination was a by-product of revisionism, and the blame was laid at the door of revisionist countries for tolerating the existence of terrorist organisations which planned and executed these political assassinations. As regards Bulgaria, it was fortunate that she had recently had a change of Government, and that the new Government had shown by its acts as well as its words its hostility to the comitadji terrorist organisations. Had the Moushanoff Government still been in office at the time of the tragedy of Marseilles, relations between Yugoslavia and Bulgaria might well have reached a point of dangerous tension. This had fortunately been averted; but in Tevfik Rüstü's opinion the assassination of King Alexander had definitely put an end to any possible idea of a Bulgaro-Yugoslav fusion. In connexion with Yugoslavia his Excellency added that a most profound impression had been caused, not only in that country but throughout the Balkans, by the presence in Belgrade at the obsequies of the late King of a British military detachment. This British gesture had been interpreted in all those countries as meaning that the United Kingdom had definitely ranged itself on the side of security and non-revisionism, and it had, his Excellency added, brought an almost unbelievable degree of comfort and hope to the outraged feelings of the Yugoslavs.

6. At one point in the conversation I tendered my personal congratulations to his Excellency on the election of Turkey to a seat on the Council of the League of Nations. Tevfik Rüstü Bey told me that what had specially gratified him had been the support which he had received in this circumstance from His Majesty's Government. He believed that His Majesty's Government would never regret having given this support. He would like to say that His Majesty's Government would always find the Turkish representative at Geneva on their side; this, however, was perhaps too much to say, but he felt he could honestly and without exaggeration express the confident hope that His Majesty's Government would be less dissatisfied with the attitude of Turkey on matters that came before the Council than with that of any other Power represented thereon, and he believed that when the Turkish mandate expired, His Majesty's Government would have solid grounds for welcoming further Turkish co-operation.

7. Austria was another subject which cropped up in the course of conversation, and here Tevfik Rüstü Bey gave me an interesting analysis of his own views. He regarded it as axiomatic that Austria would never, nor in any circumstances, be anti-German—and this irrespectively of the character of the régime in

Germany. He said that so long as Italy, or other European Powers, but especially the former, were willing to pay to maintain Austria in her present position, Austria would remain European; but if for any reason payments from Italy or elsewhere were discontinued, Austria would ineluctably become German. He thought that Signor Mussolini was quite right from his own point of view in preferring that Italy's frontier *vis-à-vis* of Germany should be Austria's northern and not southern frontier, but for a country confronted with the solving of a grave economic crisis, such as Italy at this moment, the maintenance of the frontier in the north of Austria was a costly business which it might not be practically possible to continue indefinitely. If that were so there could be no hope of real stability emerging from the present position in Austria, although, so long as Italy paid, and the declaration of the three Powers in regard to Austria's independence and integrity were maintained, that situation might carry on for some time yet. He could not believe, however, that this situation constituted a solution of the Austrian question. His personal view was that the only possible solution was an international neutralisation of Austria, accompanied by guarantees in which Germany and Italy must necessarily participate.

8. The attitude of Poland towards the proposed East European pact of mutual guarantee was likewise touched on. Tevfik Rüştü said that from a juridical point of view M. Beck could argue fairly convincingly that his attitude towards the pact constituted no violation of Poland's engagements towards France. On the other hand, he had no doubt himself that inducement had been offered Poland by Germany to be obstructive towards the idea of the pact, and that the inducement in question was a free hand for Poland, so far as Germany was concerned, as regards Lithuania; possibly also as regards Kieff, but about this he did not feel so certain. He feared that the pact in its original conception was going to prove impossible. He was unable himself to see any modification of that conception which might bring the Poles and Germans into line. He himself thought that the Polish attitude was short-sighted but the Poles evidently thought they were in a safe position, as the question of the corridor had been put in cold storage for ten years, and Poland had her treaty of non-aggression with Soviet Russia.

9. I asked his Excellency whether in his opinion it was the case that Germany would be glad to find some formula which, while permitting her re-entry into the League of Nations, would not involve any injury to her national dignity. Tevfik Rüştü Bey said he thought this was undoubtedly the case, but he had no idea himself how it could be brought about. He entirely shared the British view that the organisation of stable peace in Europe was impossible without the co-operation of Germany. He could only hope that events would gradually trend in the direction of a rapprochement between Germany on one hand and England and France on the other; and if that came about he imagined that Italy would wish to come into the combination. I asked him what view Russia would take of such a contingency. His Excellency evidently found this a difficult question to answer, and could only say that he thought that the difficulty might not prove insuperable.

10. I then asked his Excellency whether his relations with Italy had undergone any change, for better or worse, since the last conversation I had had with him before my departure on leave. Tevfik Rüştü Bey said they were certainly no worse, but their substance was the same as he had described it to me on a previous occasion and that rendered it practically impossible for them to get any better. They were perfectly correct; there was nothing radically amiss with them; but they were occasionally made to appear worse by injudicious utterances from the Roman end. He still believed that part and parcel of a general pacification must be an understanding between the Rome of the West and the Rome of the East. When he said there was nothing radically amiss with them he was giving me an illustration of his idea. Supposing Turkey were able to ask from Italy what would give her complete satisfaction and a complete sense of security; all that he would ask would be that the Italians should not arm and fortify the Islands of the Dodecanese, and that they should return to Turkey the small island of Castellorizo. Turkey was not frightened of the fortification of the islands. She had her answer to them, she believed that answer was quite effective, but it was costing her and would continue to cost her a sum of money which she could employ to more pacific and far more remunerative purposes.

Turkey's answer was the increase of her Air Force; she calculated that with 100 machines on the mainland opposite the islands, she could in an emergency stifle any hostile action from the islands, and the action of the aeroplanes could be supported by long-range guns rendered mobile by powerful tractors. Moreover, the Turkish Government did not believe that such a base as the Italians could or might create in the islands constituted any really serious threat to the Straits. The Turkish Government had reached the definite conclusion that their best interests were served by keeping the Straits open, and not by closing them. They did not therefore wish to change the guarantee which operated to keep the Straits open. Alongside that resolution existed the strong and, he believed, not unnatural desire that Turkey's sovereignty in the region of the Straits should be the maximum. There was here a question of national *amour-propre* which it would be impossible for any Turkish Government not to pursue. The defence of the Straits, should it come to that, was not a question of battleships, but rather of mines, guns, torpedoes, &c., but in an emergency both Turkey and Greece, in view of their close and intimate relations, would be interested in having sufficient naval force to protect commerce from molestation in the northern waters of the Ægean Sea.

11. As regards Bulgaria, Tevfik Rüştü rather confirmed what M. Titulescu had told me, viz., that the situation was so evolving that there was no great harm if Bulgaria did not adhere to the pact, albeit her adhesion would be desirable. Meanwhile, the four signatories would consult Bulgaria's interests as though she were a party to the pact, and would do what they could by attention and the cultivation of friendly feeling, to minimise any Bulgarian sense of isolation. He himself, for this purpose, had stopped in Sofia on his way back from Belgrade, after attending the obsequies of the late King Alexander, and had altered his route to do so. Similarly, M. Titulescu, on leaving Angora, would spend a couple of nights in Sofia, and M. Puritch would meet some of the Bulgarian statesmen on the platform in Sofia. They, none of them, wished Bulgaria to feel that she was left out in the cold merely because she had felt unable to join the pact.

12. These conversations, except in so far as I was seeking information about the results of the labours of the Balkan *Entente* Council, were on a personal basis, and were in the nature of a review of the situation as it had developed since my last interview with his Excellency in August.

13. Tevfik Rüştü spoke with his habitual freedom and volubility, and on each occasion he certainly gave me the impression of being entirely frank. When I took leave of him he said: "Well, I believe I have now told you everything; in fact, I think I have told you rather more than everything."

I have, &c.
PERCY LORAINE.

[E 7047/2462/44] No. 44.

Consul, Geneva, to Sir John Simon.—(Received November 22.)

(No. 102. L.N.)
(Telegraphic.) *Geneva, November 22, 1934.*

FOLLOWING from Mr. Eden:—

"My telegram No. 101.

"Tevfik Rüştü Bey then said that he wished to ask my advice on a matter which lay outside immediate work of Geneva. He had recently been in close collaboration with the Greek Minister for Foreign Affairs in matters of national defence. I understood him to say that the Turkish Government had taken steps for a material increase in its air forces. No such steps had, however, been taken, Tevfik said, to increase naval force of Greece or Turkey. Both Governments had now come to the conclusion that preparations to do this must now be undertaken. They had in mind proposals which, when completed, would approximately double present defensive power of their fleets. In determining to carry out this programme Turkish and Greek Governments had considered where they should seek to place orders. Both countries were determined not to be drawn within the orbit of any group of Powers. It was for this reason that though, so Tevfik gave me to understand,

his Government had been approached by Japan, they would not place orders there. In view of Turkey's close friendship with Russia, this might give rise to a misunderstanding. After careful consideration of all naval Powers to whom they might appeal, both Governments had come to the conclusion that if matter could be arranged they would wish to place orders in Great Britain. Total value of orders in respect of each country would be about £5 million. This was outside figure. It would not be possible for either Government to find this sum in cash, and they would require some loan facilities.

"At this juncture Turkish Minister for Foreign Affairs entered into somewhat involved discourse, in which he sought to show me how punctilious Turkey always was in her payments, and how this had recently been acknowledged by the United States, who, Tevfik claimed, placed Turkey among those nations who could be relied upon to pay their debts. In reply I told Tevfik that I could do no more than report to London what he had said to me. At the same time I thought I should warn him that it was at present the policy of His Majesty's Government to discourage raising of foreign loans on British market. Tevfik said he perfectly understood this, but would be grateful if I would let him have in due course views of His Majesty's Government."

[E 7145/117/44] No. 45.

Sir P. Loraine to Sir John Simon.—(*Received November* 29.)

[By Bag.]

(No. 38. Saving.)
(Telegraphic.) *En clair.* *Angora, November* 21, 1934.

THE situation as regards the clearing agreements made between Turkey and foreign countries appears to be working to the advantage of this country.

Apart from normal imports from abroad, Turkey has acquired, and continues to acquire, a large amount of material for public works schemes, armaments and other supplies. These are mainly supplied on long-term credit conditions, and foreign suppliers only receive payment as and when money is available in their own country accruing from the importation of Turkish produce. In practice, the majority of clearing-agreement countries have exported goods to Turkey very considerably in excess of their imports from this country, and whereas the Turkish exporter is paid almost at once through the State Bank, the foreign supplier is obliged to wait for some time for his money.

The result has been to create an abnormal demand from clearing countries for Turkish produce in order to free their frozen credits. In this connexion the commercial secretary to this Embassy was particularly struck by a remark made by Faik Bey, president of the Türkofis, to a friend of his, that his main preoccupation nowadays was not to create new openings for Turkish produce, but to find enough produce to meet the existing demand. This remark appears to be well founded. Germany has bought up practically all the wool and mohair clips, and the interior of Anatolia is being ransacked for old stocks to meet the continued demand. Meanwhile, the price of mohair has increased from about 8*d*. per lb. to 15*d*.

The same conditions apply, in varying degrees, to other Turkish produce. The fig crop has already been disposed of and the sultana crop is practically exhausted.

Soviet Russia is another heavy buyer of wool, mohair, fur skins, &c., at prices beyond world levels.

There are certain disadvantages from Turkey's point of view in the present position, for, although her crops are being sold at good prices, she is often obliged to limit her enquiries for war material, &c., to a small group of clearing countries.

Non-clearing countries are excluded from Government contracts, and even some of the clearing countries dare not take on new contracts because of their existing blocked credits and their fear that no further Turkish produce will be available until next autumn.

The United Kingdom has recently been debarred from two important contracts which she might otherwise have obtained :—

(*a*) The contract for 300 caterpillar lorries of 120-h.p. for the Ministry of National Defence was awarded to the Czechoslovak firm Moravska at £T. 7,800 each, whereas Armstrong-Saurer could have supplied at least 30 per cent. below this figure. The Czechoslovak firm, however, offered ten years' credit.

(*b*) The contract for twenty-eight fighting machines was awarded to Dewoittine (French) at £T. 12,000 per machine in excess of the Hawker Fury machine.

The outlook for the immediate future, at least, is not encouraging, both for the United Kingdom and for other countries which cannot afford to pay the prices offered by Germany and the Union of Soviet Socialist Republics.

As regards the United Kingdom, we may be faced, under a balance of trade agreement, with the same difficulty, and, therefore, we may find, when the first period of the operation of the *modus vivendi* expires, that Turkish exports to the United Kingdom fall very considerably short of imports from the United Kingdom, with a result that we shall have to reduce the value of our imports to perhaps a very low level for the second period.

[E 7147/117/44] No. 46.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 7. Saving.)
(Telegraphic.) *Foreign Office, November* 29, 1934.

YOUR telegrams Nos. 24 and 25, Saving, of 3rd November : Anglo-Turkish commercial negotiations.

We agree that this is marked advance on previous Turkish suggestions. Apparently Turks are anxious to secure some trade-balancing arrangement, but it does not seem clear that they would necessarily regard a definite arrangement of this kind as indispensable. We should still greatly prefer to avoid any trade-balancing arrangement if at all possible for the reasons given in my despatch No. 259 of the 27th June, and in Sir L. Oliphant's personal letter of the 28th June. Principle of bilateral balancing of trade is in itself objectionable and uneconomic, and there are also serious practical objections, viz. :—

(i) That all attempts to secure an actual balance of trade by "clearings" or other artificial methods are liable to cause hold-ups and disturbance; and

(ii) That once we make an agreement with the Turks which embodies the principle of a balance, other countries that have unfavourable balances in their trade with us may be tempted to try to force us into similar agreements.

Moreover, we could no doubt at any time have secured an agreement providing simply and solely for balancing the trade, without giving Turks any additional concessions. Therefore, we still feel that if, in fact, we give appreciable concessions, such as substantial reduction of fig duty and consolidation of duty on items of importance to Turkey, such as raisins (which, it should be remembered, interest Empire countries too), then we ought to be given favourable treatment under Turkish quotas without any trade-balancing scheme being included in the arrangement.

You should therefore press this point of view upon Turkish authorities and point out to them that, if they insist on a trade-balancing scheme, there will be much less reason for us to contemplate tariff concessions to them.

If, however, it becomes clear that Turks insist on some such plan, then we consider that, in return for tariff concessions, we are clearly entitled to some additional consideration over and above those set out by Faik Bey (see, for example, paragraph 6 below).

In any case, we should need definite safeguards against our trade being suddenly held up by Turks in the future. One of the consequences of a balancing scheme such as that now suggested by Faik Bey will clearly be that the greater

the facilities we receive for exporting to Turkey (apart from special facilities for trade which would fall outside the balance), the more likelihood there will be of a balance favourable to us growing up rapidly, with the consequence that Turkish Government would then proceed to stop or restrict imports from United Kingdom for a period.

2. If such check or restriction were suddenly and violently applied, serious situation would arise owing to breaking off of contracts, &c., probably leading to claims by our traders for compensation, and certainly to great volume of complaint. The system of "sliding averages" set out in Scheme A in my despatch No. 259 of 27th June was designed to minimise this risk, but, in addition, we should regard it as matter of importance to get from Turkish Government definite particulars as to how they would propose to effect any reduction and provide safeguards to ensure that, in event of imports from United Kingdom having to be restricted, the restriction would be applied in such way as to cause minimum of disturbance to trade. You should, if the trade-balancing scheme has to be proceeded with, invite suggestions from Turks to this end and report them for consideration here. In particular, we regard it as important that as long warning as possible should be given to our traders of any impending reduction of imports from the United Kingdom.

3. As regards statistical methods to be followed if there is to be balancing scheme, detailed proposals will be submitted after your discussions have passed preliminary stage; adoption of something on lines of "sliding averages" in Scheme A would be desirable. Particular points to be borne in mind are that estimation must be based on United Kingdom imports from Turkey over periods of twelve months, owing to highly seasonal nature of trade; also that balance should be struck and any necessary adjustments to redress it made quarterly, so as to avoid heavy and long-continued restrictions should a balance substantially favourable to us tend to accumulate.

4. We agree that as suggested in paragraph 4 of your No. 25, United Kingdom statistics should be taken as basis for determining value of Turkish exports to United Kingdom and Turkish statistics for United Kingdom exports to Turkey. This should give truest statistical picture of the facts, and, judging by figures for previous years, result may be to eliminate our apparent favourable balance altogether. We should wish to have it made quite clear that goods supplied (i) on long- or medium-term credits, and (ii) under compensation arrangements, will be kept not only outside the balance statistics, but also outside the quota restrictions. We presume that the Government orders to which Faik Bey refers (paragraph 5 of your No. 25) would all be included in category (i) above, but, of course, if he proposes to keep outside the scope of the arrangement all Government orders, whether financed by credits or paid for cash down, so much the better. As regards goods supplied on credits, reference in paragraph 5 (2) of your telegram No. 25 to "clearing systems" is not understood, and precise explanation of what is intended would be welcomed. Is some kind of compensatory export of Turkish produce contemplated? Export Credits Guarantee Department could not contemplate guaranteeing any credits which would be repayable wholly or partly in kind. Neither they nor financial institutions which might co-operate with them in provision of credits nor United Kingdom contractors are equipped to dispose of Turkish goods, and it is doubtful whether Export Credits Department have authority to give guarantees on such a basis. Turkish obligation to find necessary foreign exchange would therefore be an essential condition of medium- or long-term credits on any important scale. As His Majesty's Government attach great importance to securing a share of these Turkish contracts for the United Kingdom, I trust you will be able to persuade Turks to offer the necessary assurances on this point. You could point out to them that even if it were possible (as in fact it is not), to contemplate inclusion of some element of "compensation" in these transactions, the result would be substantially to increase the risks which the United Kingdom manufacturers and/or the guarantors would be called upon to support, and thus to compel them to cover themselves either by charging higher prices or by requiring more onerous terms for the credits. A further memorandum by Export Credits Department on conditions of their participation is enclosed in my despatch No. 478 (of the 29th November).

5. Proposals as to Turkish restrictions in paragraphs 1 to 4 (first sub-paragraph) and 5 of your telegram No. 25 appear satisfactory so far as can at

present be judged, though, of course, the compensation proposal in paragraph 3 is much more limited than that suggested in my despatch No. 259. Its exact value cannot in any case be judged until we know—

(*a*) What goods will be included in compensation lists on the two sides. It would be desirable, if possible, to pick out goods for these lists only after we know generally what the main agreement is to give us in the way of quotas and unrestricted entry for the various classes of goods. This, while it would be desirable for cottons and woollens to be included in our compensation list, will not in any way dispense with need to get satisfactory quotas for them apart from compensation. Their admission under compensation alone would be quite insufficient, especially if Turks propose to restrict narrowly list of countries to which Turkish compensation goods may be exported. Incidentally, we may wish to include *inter alia* certain goods from our Colonies in our list.

(*b*) Exactly which are the countries, other than the United Kingdom, to which Turkish compensation goods may be exported. We are not clear what is covered by phrase "clearing or other agreements." Does it include even the ordinary commercial treaty or similar arrangement unaccompanied by any special trade agreements? There seems no good reason why any but clearing or compensation arrangements should be included; if others are, the value of the facility will be much reduced. Position of United States of America, which is important, seems in particular doubtful. These points would have to be cleared up before scheme could be finally agreed.

6. Another point which exercises us considerably is that the sudden release of goods now held up in Turkish customs (which we assume are not already included in Turkish import statistics) may throw trade balance heavily in our favour and bring about early reimposition of restrictions, especially as our exporters will no doubt go full speed ahead with new trade as soon as agreement comes into operation. In the circumstances, we should expect the Turks to be prepared to allow goods held up to enter outside the balancing arrangement, which they clearly ought to do in view of tariff concessions which we are offering.

7. We should require additional undertaking of general scope that no restriction which would hinder or prevent the carrying out of the scheme will be placed on exchange, and also that exchange will be made available in Turkey for remittances to the United Kingdom in respect of the transactions that make up "invisible exports."

8. As regards paragraph 6 of your No. 25, position is as follows:—

(a) *Figs.*—We can concede reduction to 7*s*. If necessary to get satisfactory arrangement, we could in last resort go to 5*s*., but this would require legislation and take time. As, however, Turkish fig exporting season is now almost over, we could in this event concede reduction to 7*s*. at once, and reduction to 5*s*. before next season.

(b) *Raisins.*—We can consolidate present duty, but in view of importance which certain Dominions attach to this trade, we could not give even vague undertaking to consider reduction in future.

(c) *Eggs.*—There is at present no restriction enforced by order, but only a limitation arranged voluntarily; whole question of future arrangements for allocations is at present under consideration. Turks can be told that they will not be treated on less favourable principles than any other foreign country, and at present this is all that can be said. Formulation of definitive arrangements may take some little time, but we will communicate with you as soon as possible.

For your information, Board of Trade were approached in September by Ali, of Turkofis, with request that Turkish eggs should be left free of any restriction until proposed trade agreement is signed; he also hinted that Turkey wishes to be allowed to send substantial quantities of eggs to this market, perhaps 10 per cent. of our total imports. He was told that Turkey could not be given differential favourable treatment as compared with other foreign countries, but that we would consider sympathetically any suggestions

as to allocation which Turks may wish to make. Position is that imports of eggs in shell from Turkey have only begun on appreciable scale since voluntary standstill agreement with main supplying countries was reached.

(d) *Boxwood.*—We can consolidate present duty (it being understood that this covers only logs as cut from the tree or square cut timber sawn therefrom), but we cannot reduce.

(e) As regards carpets, we cannot reduce duty. As regards List F, we can offer consolidation on valonea (raw), mohair (raw, not treated beyond cleaning, scouring or carbonising), natural crude emery (unground), and as regards List R, we can offer consolidation on raisins and sultanas and hazel nuts.

9. There remains the possibility that in the last resort, if necessary to secure a satisfactory agreement, we might agree to some or all of the following: (*a*) Reduction of fig duty to 5*s*., as mentioned above; (*b*) consolidation of present duty on hand-made carpets (not containing silk or artificial silk); and (*c*) abolition of duty on hazel nuts, not in shell. (The imports of these nuts from Turkey consist as to some 90 per cent. at least of nuts not in shell, and any concession would, for your own information, need to be confined to these, to avoid both possible prejudice to English nuts and also unnecessary giving away of concession to Spain.) This much is limit of our possible tariff concessions. As regards Turkish demands on other items, their share in the trade in all these is small, and you should point out to them that if their requests were granted, it is not they but their competitors who would reap principal benefit.

10. Subject to foregoing observations, you are authorised to negotiate on basis suggested in your telegrams under reply. You should keep me fully informed of developments, and seek further instructions before definitely committing yourself to acceptance of any draft provisions of the proposed agreement.

11. Revised lists of goods for which we should desire to receive unrestricted entry or specified quotas are enclosed in my despatch No. 479 of the 29th November.

[E 7258/2462/44] No. 47.

Sir P. Loraine to Sir John Simon.—(*Received December* 4.)

(No. 63. Most Confidential.)
(Telegraphic.) *Angora, December* 3, 1934.

ACTING Minister for Foreign Affairs tells me that Turkish Minister for Foreign Affairs, when in Geneva last month, spoke personally to Lord Privy Seal in regard to possibility of facilities being obtained in United Kingdom for augmenting Turkish and Greek navies. The idea was that these two navies, if somewhat strengthened and acting in co-operation, would be a useful element for guarding approaches to the Straits and for ensuring freedom from molestation to commercial shipping in the Ægean. The Turkish Government believed such aims corresponded with desiderata of British peace-seeking policy, and that existence of such forces with such purposes, the use of which in an anti-British sense was unthinkable, would be a useful, even if not a very considerable, asset making for peace and security, and that it might in an emergency take a small share of the strain off the British navy. Tevfik was authorised to explain this and to sound Mr. Eden privately on possibility of the requisite tonnage being built in British yards on long-term credits, or, alternatively, of sale of existing British tonnage. Acting Minister for Foreign Affairs said that Mr. Eden had listened attentively, had said personally and without engaging His Majesty's Government that he regarded the suggestion sympathetically, but that he must consult his Government. Acting Minister for Foreign Affairs hoped that he would be able to do this before Council meeting of the League on 5th December.

Acting Minister for Foreign Affairs asked me whether Tewfik had said anything to me about this before he went to Geneva last month. I said he had outlined scheme in much the same way, except as regards sale of existing tonnage, which he did not mention. He told me he had not till then mentioned his idea to

his colleagues or to the Ghazi; he wished me to keep it entirely to myself, but he would be grateful for any comment from me. I said it seemed to me useless in any case to comment until he had mandate from his Government. It was, of course, obvious that any increase of naval armaments anywhere was of particularly deep interest to His Majesty's Government, and when he thought of speaking to Mr. Eden, he was doubtless mindful of that; but, I asked, had he spoken to me in order that I should prepare the ground with Mr. Eden, who was otherwise certain to say he could not answer such a question off-hand? Tevfik reflected and said he did not mean that; he would prefer that I should keep the matter literally to myself for the time being, in any case, until he had threshed it out with the higher Turkish authorities. This I promised to do.

The amount contemplated by Tevfik was about £5 million sterling each for Turkey and Greece. I told the Acting Minister for Foreign Affairs that I had scrupulously observed my promise. I had, however, done one thing. When Tevfik was on his way through Constantinople I had sent him, by hand, a private letter so worded that no one else could have detected its subject, saying that, in my opinion, there was no objection, supposing he had received, meanwhile, the necessary authority from his Government, to his broaching the subject with Mr Eden.

Acting Minister for Foreign Affairs also wanted my views. I said that I obviously could not have any views without consultation with you on such an important matter with highly technical aspects. This he understood and accepted. I offered three observations: (1) he had better reckon that he could not get British export credit system set up in motion for armaments; (2) that His Majesty's Government would not sell existing tonnage; and (3) that His Majesty's Government would look askance at any combination that might have even the appearance of being directed against Italy. I added (3) in view of the fact that in another part of our talk he had raked up the question of a Mediterranean pact.

[E 7325/1204/44] No. 48.

Sir P. Loraine to Sir John Simon.—(*Received December* 7.)

(No. 64.)
(Telegraphic.) R. *Angora, December* 6, 1934.

GRAND National Assembly has approved of Bill according the right of voting in parliamentary elections to women aged 22 and over and raising of voting age of men from 18 to 22. Bill further provides that women having attained the age of 30 may be elected for Deputies. Despatch follows.

[E 7280/1858/44] No. 49.

Sir P. Loraine to Sir John Simon.—(*Received December* 5.)

(No. 548.)
Sir, *Angora, November* 12, 1934.

I HAVE the honour, with reference to my despatch No. 542 of the 10th November, to inform you that, according to the press, Ibrahim Tali Bey, Inspector-General of Thrace, recently met at Çorlu the Valis of Adrianople, Kirklareli and Tekirdağ (Rodosto) to discuss the condition of the 50,000 immigrants said to have been lately settled in Thrace.

2. In reporting this meeting the press states that over 100,000 immigrants arrived in Turkey during 1934, and that 700, described as "refugees," who are the last contingent for this year, are now awaiting shipment at Constantsa. These 100,000 immigrants are said to have come from Roumania, Yugoslavia, the Greek Islands, Azerbaijan, Syria and Iraq. The number of immigrants from Bulgaria is declared to have been very small because of the fact that the Bulgarian Government would not allow intending emigrants to sell their property. Ten thousand immigrants installed at Çorlu are stated to be of a good type, fairly well off, and competent agriculturalists; the land granted them includes a farm worth £T. 20,000, given by a private individual. Villages have

sprung up in this region almost entirely without Government help. The Government has hitherto been unable, on account of its industrial plans, to make a grant for the installation of immigrants in Thrace, but it is proposed to ask the Grand National Assembly for a vote of £T. 5 million, and the settlement of immigrants will form one of the principal items in the Government's programme. It is understood, still according to the press, that a further contingent of 30,000 immigrants will arrive in the spring of next year, bringing the total for the past two to three years up to 500,000, all settled or to be settled in Thrace.

3. I am sending copies of this despatch to His Majesty's Ministers at Sofia and Bucharest.

I have, &c.
PERCY LORAINE.

[E 7077/1204/44] No. 50.

Sir P. Loraine to Sir John Simon.—(Received November 26.)

(No. 551.)

Sir, *Angora, November 15, 1934.*

I HAVE the honour to inform you that the Parliamentary Group of the People's party has issued the following communiqué, which was published in the Anatolia Agency's bulletin of yesterday evening and in this morning's press :—

"The Parliamentary Group of the People's party, assembled under the presidency of Cemil Bey, has been addressed by Ismet Pasha, who, after having recalled the fact that, in accordance with the Constitution, new elections for the Grand National Assembly should normally take place in the summer of 1935, demonstrated that it would be advantageous for the country, in view of the international situation, so full of events and eventualities, to proceed with the said elections and to conclude them this winter without awaiting the coming summer, and so manifest once again, by means of the nation's vote, the stable position of the People's party and of its Government.

"The group decided in favour of the renewal of the legislative elections, and left it to the president of the party to fix the date on which the relevant proposal will be submitted to the Grand National Assembly."

2. The president of the People's party and the President of the Republic are, of course, one and the same person.

I have, &c.
PERCY LORAINE.

[E 7281/1858/44] No. 51.

Sir P. Loraine to Sir John Simon.—(Received December 5.)

(No. 553.)

Sir, *Angora, November 16, 1934.*

I HAVE the honour, with reference to my despatch No. 548 of the 12th November, to inform you that, during a recent session of the Grand National Assembly, the Minister of the Interior, Şükrü Kaya Bey, replied to three questions put by Refik Şevket Bey, Deputy for Manisa, concerning the settlement of immigrants in Turkey. The following account is a summary of the report published by the semi-official Anatolia Agency :—

2. The questions were :—

(*a*) How many immigrants have been settled up to the present date, and what assistance do they receive?

(*b*) The press reports that 10,000 emigrants are waiting at Constantsa to embark for Turkey. How far is this true, and, if it is true, have adequate measures been taken for their transport to Turkey, and for their settlement before winter sets in?

(*c*) What will eventually be the total number of immigrants, where are they expected to come from, and how long will they remain?

3. Şükrü Kaya Bey stated, in answer to the first question, that during the period 1923–33, 379,913 persons (99,709 families) had entered Turkey as a result of the exchange of populations, and that 248,392 persons (58,027 families) had arrived as ordinary immigrants, making a total of 628,305 persons (157,736 families). They had been given houses, building sites, shops and land, and £T. 6 million had been distributed to the exchanged persons in accordance with the relevant law. From the 1st June, 1933, to the 1st November, 1934, 27,243 persons had emigrated to Turkey. The following figures are given for individual countries :—

Bulgaria	9,806
Russia	4,471
Roumania	4,337
Yugoslavia	3,342
Persia	1,161
Syria	420
Greek islands	413
Western Thrace	63
Cyprus	23
Afghanistan	5

Over 14,000 of these immigrants had been settled in Thrace, and the rest in other parts of the country.

4. His Excellency went on to explain that the mass of the immigrants were farmers and had been settled so as to reinforce the population in rural areas. The only difficulty that might arise in the future would be the finding of land for further immigrants, as very little State land now remained. £T. 305,000 had been spent on the housing of immigrants during the last two years (£T. 250,000 in the eastern and £T. 55,000 in the western vilayets). Thanks to natural facilities and the welcome afforded by the indigenous inhabitants, settlement was effected at a cost of only £T. 100 per head.

5. Replying to the second question, Şükrü Kaya Bey said that only a hundred emigrants were waiting to embark at Constantsa. During this year only 12,000 (from Roumania and Bulgaria) had embarked at Constantsa. They were taken away as soon as a ship-load had assembled.

6. The Minister then gave the following statistics regarding the Turks still living in foreign countries :—

In Bulgaria	1,000,000
In Roumania	400,000
In Yugoslavia	800,000

The last total did not include those who had "adapted their language to their environment." There were 20–30 million Turks in other foreign countries, but the question of their repatriation did not arise. (The reference was no doubt mainly to Russia and Persia.)

7. It will be noticed that a very large number of immigrants are stated to have come from Bulgaria, contrary to recent press reports to the effect that the number of immigrants from Bulgaria was small on account of restrictions imposed on intending emigrants by the Bulgarian Government, especially in the matter of the disposal of their land.

8. In reply to the third question, his Excellency stated that it was estimated that the population of Turkey in 1950 would be from 30 to 35 millions, "without counting the increase which will accrue to us from the repatriation of our brothers in blood, either voluntarily or in consequence of various circumstances."

9. Şükrü Kaya Bey went on to declare, "in connexion with certain incidents talked of in the press," and amid loud applause, that the Turks of Turkey and their Government interested themselves keenly in the lot of the Turks living abroad, and that Turkey appraised the friendship of other countries in accordance with the manner in which those countries treated the Turks living in their territory. A few months ago a movement had begun in Bulgaria which had assumed the proportions of an emigration *en masse*, but the representations made by the Turkish Ministry for Foreign Affairs had completely arrested the movement, as also a similar movement which had become manifest in Roumania. The Bulgarian Government had informed the Turkish Government that these emigrations were due to unofficial local influences. At the present time every

possible measure, political and administrative, was being taken to counteract mass emigration, but this did not apply to Turks who came in small groups and who had either liquidated their possessions or had none to liquidate.

10. I am sending copies of this despatch to His Majesty's Ministers at Sofia, Bucharest and Belgrade.

I have, &c.
PERCY LORAINE.

[E 7178/264/44] No. 52.

Sir P. Loraine to Sir John Simon.—(Received November 30.)

(No. 562 E.)

Sir, *Angora, November 23, 1934.*

IN his despatch O.T. (B.) No. 26/34 of the 16th January last, in which an account was given of the Turkish five-year industrial and economic plan, the commercial secretary to this Embassy referred to certain textile factories which were to be constructed under that plan in different parts of the country. One of these factories was to be erected at Kayseri and another at Eregli (in the Vilayet of Konya), while the existing factory at Bakirköy, on the outskirts of Constantinople, was to be enlarged. The laying of the foundation stone of the Kayseri factory by Ismet Pasha was reported in Colonel Woods's despatch O.T. (B.) No. 156/34 of the 23rd May last, and the opening of the new wing of the Bakirköy factory, also by Ismet Pasha, formed the subject of Mr. Morgan's despatch No. 397 E of the 17th August.

2. I now have the honour to inform you that the first stone of the Eregli (Konya) factory was laid on the 20th November by the Prime Minister, who was accompanied by the Ministers of National Economy and of Public Works. The commercial secretary has for the present no information regarding the actual value of the plant to be acquired, but in his speech delivered at the opening ceremony Ismet Pasha declared that the factory would entail an inclusive expenditure of £T. 3,500,000. It is designed, according to his Excellency, as reported by the Anatolia agency, for the manufacture of fine tissues, satins, fine linings, and fine white and coloured cotton cambrics, none of which materials has previously been produced in this country. The factory will contain 250 looms and 15,000 spindles, and will consume annually 7,000 bales of cotton purchased from Turkish growers. It will employ about 1,250 workers, and the yearly production is estimated at 4 million metres of textiles and 500,000 kilog. of fine thread. The Sumer Bank, which is financing the undertaking, is expected to have it in working order before the end of 1935.

3. Ismet Pasha stated in his speech that the Government were promoting not only the weaving of cotton, but also its cultivation, and that the measures taken to improve the quality and increase the quantity of Turkish cotton were giving satisfactory results.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 7322/1544/44] No. 53.

Mr. Walker to Sir John Simon.—(Received December 7.)

(No. 434.)

Sir, *Athens, December 1, 1934.*

I HAVE the honour to inform you that the Athenian press is much exercised at a report from Turkey to the effect that a draft law is shortly to be submitted to the Grand National Assembly forbidding ecclesiastics of all religions to wear their distinctive garments outside their respective places of worship or monastic

establishments. The Œcumenical Patriarch of Constantinople, whose position under the new law is naturally of great interest to this country, will thus be obliged to wear ordinary civilian costume when off the ecclesiastical premises.

2. According to a statement published in the press yesterday and confirmed to me by the Turkish Minister, M. Maximos interviewed M. Rusen Esref on the 29th ultimo and pointed out that, if the facts were as represented, this latest measure of the Turkish Government would produce a most unfavourable impression in Greece and on the Orthodox Church in general. M. Rusen Esref replied that he had no official information on the subject. The press to-day report that the Greek Government have made friendly representations through their Minister at Angora also.

3. As might be expected, the Government press, in view of the present policy of friendship with the Turkish Government, which in practice would appear from the Greek point of view to consist largely of "kicks and no ha'pence," are at pains to point out that Moslem ecclesiastics are as much affected as Christian, and express the hope that Turkey would not go so far as to wound Greek susceptibilities by compelling the Orthodox clergy to divest themselves of their traditional habit.

4. The Opposition press is, however, much more outspoken, and argues that the sole aim of the new law must be the elimination of the cultural traditions of Orthodox Christianity in Turkey and that it is more oppressive than any measures enforced during the times even of the most ferocious persecution of the Christian population of the Ottoman Empire.

5. I have sent copy of this despatch to His Majesty's Ambassador at Angora.

I have, &c.
ALAN WALKER.

[E 7345/117/44] No. 54.

Sir P. Loraine to Sir John Simon.—(Received December 8.)

(No. 65.)

(Telegraphic.) *Angora, December 8, 1934.*

YOUR telegram No. 7, Saving.

I understand you wish me to make one more attempt to secure a basis for agreement which avoids anything in the nature of an actual balance of payments or of trade. I will make this attempt. You will realise, however, that I cannot be hopeful of success in view of the fact that the definite object of Turkish policy is to obtain that which His Majesty's Government wish to avoid in this respect.

It is my opinion that any further setting forth in an official note at this juncture of our desiderata would merely be leading us away from realities and towards barren theoretical discussions. Moreover, the submission now in writing of what is virtually a repetition of our first scheme, which Turks rejected, would not only be a waste of time, but might also provoke the Turks to cancel provisional concession granted to us pending conduct of negotiations.

I therefore prefer, in reply to Turkish note of 10th October, to take advantage of loophole offered in its concluding paragraph, and, while pointing out that a considerable gap in principle still separates proposals and counter-proposals hitherto exchanged, to accept Turkish suggestion of oral discussion in order to ascertain possibilities of bridging the gap, and to request Turkish Government to delegate one of their officials to enter on such a discussion forthwith with my commercial secretary.

First stage will then be to make our final effort to get away from a balancing arrangement; second stage, if we fail, to seek a provisional basis of agreement within the framework of your instructions now under acknowledgment, which, if it took shape, would be submitted to you for consideration.

I trust you agree.

[E 7341/2462/44] No. 55.

Sir John Simon to Consul, Geneva.

(No. 139.)
(Telegraphic.) *Foreign Office, December* 8, 1934.

FOLLOWING for Mr. Eden:—

"Your telegram No. 117 L.N. of 7th December: Turkish Government's desire to place orders for war vessels in Great Britain.

"It is clear that financial difficulties alone are such as to make proposal in its present form appear quite impracticable. Grant of export credits for supply of war materials to foreign Governments is prohibited by statute. As regards suggested raising of loan in this country, Treasury point out that His Majesty's Government have no power to give assistance, and that most they could do would be to give their consent to raising of loan by allowing exception to be made to general embargo on foreign loans. But they explain that credit of both Turkey and Greece in London market, in fact, stands so low at present that there could be no question of their raising a loan even if embargo were removed. Question of removal of embargo—supposing that possible advantage to British trade were regarded as outweighing objections of policy and principle—does not appear to arise.

"If desired financial facilities cannot be obtained in this country, it may be doubted whether either Turkey or Greece will be able to obtain them elsewhere, and in these circumstances knowledge that facilities are unobtainable here may exercise useful influence in deterring them from embarking on programme of naval construction which they cannot afford and which might well lead to increased programme on part of Italy, with dangerous reactions on other countries.

"I understand, however, that Admiralty are not prepared to exclude possibility of Turkey and Greece proceeding with some part at least of proposed programme in spite of all these difficulties, and that they are most reluctant that anything should be said to Tevfik Rüstü which might in such an event discourage Turkish Government from ordering ships they require from this country rather than from elsewhere. Admiralty are therefore pressing that, while Tevfik Rüstü should be made aware of financial difficulties, at least as regards question of export credits, he should be told that, if Turkey does nevertheless decide to proceed with any part of proposed programme, His Majesty's Government would welcome placing of any such orders in this country.

"I fear it will be impossible to reach decision as between these various lines of reply until early next week, and it would therefore be preferable if you could temporise with Tevfik Rüstü, indicating financial difficulties in whatever way you think best, but not at this stage definitely excluding possibility of some statement on lines desired by the Admiralty. If, meanwhile, you can obtain any indication of whether Turkish project is, in fact, a serious one—which Foreign Office are much inclined to doubt—and whether there is, therefore, any real likelihood of Turks proceeding with part at least of programme irrespective of financial difficulties, it would be useful.

"I will telegraph further as soon as possible."

[E 7345/117/44] No. 56.

Sir John Simon to Sir P. Loraine (Angora).

(No. 70.)
(Telegraphic.) R. *Foreign Office, December* 10, 1934.

YOUR telegram No. 65 of 8th December: Anglo-Turkish commercial negotiations.

I agree. Please act accordingly.

[E 7397/1544/44] No. 57.

Mr. Walker to Sir John Simon.—(Received December 11.)

(No. 442.)
Sir, *Athens, December* 6, 1934.

WITH reference to my despatch No. 434 of the 1st instant, regarding the new Turkish law which prohibits the wearing in public of ecclesiastical garments of all descriptions, I have the honour to report that the first outbreak of public anxiety was somewhat diminished by a report that the Œcumenical Patriarch and the Armenian Metropolitan were to be excepted from its provisions. This feeling of qualified relief was, however, short-lived, as, according to later and more detailed information from Angora, it is laid down in the law that "the Turkish Government will be able, as they may desire, to grant to one single person, of each religion or sect, temporary authorisation to wear ecclesiastical garments outside the churches and when not officiating at religious ceremonies. When such authorisation lapses, it may be renewed in favour of the same person, or in favour of another prelate." In other words, the position of the Œcumenical Patriarch will be one of permanent uncertainty, as he is not specifically exempted by the law.

2. Public opinion has undoubtedly been aroused, and is wondering whether the friendship of Turkey is not almost as inconvenient as her hostility. Yesterday, it was reported in the press that a conference would be called of the leaders of all the political parties to consider the question, and that even M. Veniselos, who is in Crete, would be invited to attend. According, however, to later information it was decided at a Cabinet Council that a meeting of the heads of the parties shall not be convoked "unless the position changes in such a way as to make it necessary to contemplate a modification of the general policy of Greece." Other symptoms of the state of public feeling are the adoption, by the Congress of Chambers of Commerce, of a resolution expressing indignation at this "mortal blow" at the Orthodox Church, and the convocation of an extraordinary session of the League of Græco-Turkish Friendship to consider whether, in view of the latest developments, the league still has any *raison d'être*. The (Greek) president of the league has resigned.

3. Comment in the Greek Government press no less than in that of the Opposition is outspoken in its condemnation. *Hellenikon Mellon*, the paper in closest touch with the Prime Minister, says that "not even the worst enemies of Graco-Turkish friendship could have dealt it a deadlier blow." Other papers contrast the treatment of the Greeks in Turkey with the privileged position of the Turkish minority in Western Thrace. In short, it is felt that the biblical apophthegm "Whom the Lord loveth he chasteneth," should not be followed in the field of international friendships.

4. I have sent a copy of this despatch to His Majesty's Ambassador at Angora.

I have, &c.
ALAN WALKER.

[E 7431/7431/44] No. 58.

Sir P. Loraine to Sir John Simon—(Received December 13.)

(No. 582.)
Sir, *Angora, December* 3, 1934.

I HAVE the honour to acquaint you with the receipt of a note from the Ministry for Foreign Affairs stating that the President of the Turkish Republic had taken the family name of Atatürk, in consequence of a law voted by the Grand National Assembly on the 25th November, and that his style of address was henceforth the following:—

"M. Kemal Atatürk,
Président de la République turque."

2. The President's personal title of "Gazi" has thus been officially dropped, together with the appellations "paşa," "bey," "efendi," "Hazretleri" (Excellency), &c., regarding the abolition of which I am addressing to you a separate despatch. I recently put to the Acting Minister for Foreign Affairs the question of the manner in which any letter from the King to M. Kemal Atatürk should be addressed on the envelope. The answer was, without "Excellency." Sükrü Kaya added that foreign missions would receive, in due course, detailed information regarding the operation of these new dispositions.

I have, &c.
PERCY LORAINE.

E 7432/1544/44 No. 59.

Sir P. Loraine to Sir John Simon.—(Received December 13.)

(No. 583.)

Angora, December 5, 1934.

Sir,

I HAVE the honour to inform you that the Grand National Assembly voted on the 3rd December a law prohibiting the wearing of clerical dress except in places of worship and during religious ceremonies, and also the wearing of dress, insignia or accessories having any connexion with foreign political or military organisations. I enclose herein a summary of the new law, which appeared in the semi-official Anatolia Agency bulletin of the 3rd December, together with a French translation of the speech delivered by the Minister of the Interior in introducing the measure.

2. It will be observed that the terms of article 1 permit of clerical dress being worn, outside places of worship and apart from religious ceremonies, by a single approved representative of each religion and sect. To which Moslem dignitary, if any, this provision will apply in practice is a moot point, as the Moslem religion is without a head in this country; but it should make it possible for the Greek and Armenian Patriarchs of Constantinople, the Grand Rabbi and possibly the Apostolic Delegate to continue to dress as they please.

3. The stipulations of article 3 are of particular interest, forbidding as they do both Turkish nationals and foreigners resident in Turkey to wear any dress or badge connected with foreign political or military organisations. The Minister of the Interior told me the other day in personal conversation that this interdiction on foreigners had been thought necessary because of trouble which had been created by a number of small incidents in Smyrna, where Italian Fascisti, under the inspiration of the Italian consul-general, who was himself an advanced and ardent Fascist, had paraded about in their black-shirt kit and aroused a good deal of unsympathetic local opinion. The Turkish Government thought it best to obviate such incidents in future by removing their cause. This result would be assured by the general application of the interdiction to all foreigners. In the debate on the Bill a specific question was put by a Deputy to ascertain whether article 3 of the Bill forbade the wearing of foreign emblems in buttonholes, and the Minister of the Interior gave an affirmative reply.

4. Sükrü Kaya also told me that the new regulation about the wearing of clerical garb was a necessary addition to the series of measures taken by the Turkish Government, starting from the abolition of the Caliphate, for the secularisation of the State and for the uprooting of all clerical influence in matters of State. He pointed out that if the Moslem hoças, &c., were restricted in the wearing of their religious raiment, it would cause justifiable discontent if Moslem Turkish citizens observed that the priests of other religions were under no such disability and were therefore in a privileged position. The Greek press especially, however, had been very much up in arms against the proposed Turkish legislation, but he hoped that the agitation would die down. The attitude of the Greek Government was quite correct, and they had told him that Turkish friendship was obviously more precious to them than robes of a Greek Orthodox priest. He did not himself think that the application of the new law to foreigners resident in Turkey was either unreasonable or unnatural. After all, the dress, and especially the head-dress, of all the non-Moslem priesthoods which had regularly existed in the former Ottoman Empire had been fixed by the Ottoman Sultans and their

wearing had been obligatory. Surely, it was therefore reasonable for the Turkish Republic to cancel the obligation that had been imposed by their predecessors.

5. It emerged quite clearly from Şükrü Kaya's observations that the Turkish Government attach considerable importance to this progressive laicisation of the Turkish State.

6. I am sending copies of this despatch to His Majesty's Ministers at Athens and the Holy See.

I have, &c.
PERCY LORAINE.

Enclosure 1 in No. 59.

Anatolia Agency Bulletin of December 3, 1934.

LA Grande Assemblée nationale a voté dans sa séance d'aujourd'hui la loi interdisant le port de certains vêtements.

L'article 1er dit qu'il est interdit aux ecclésiastiques, quelles que soient la religion ou la secte auxquelles ils appartiennent, de porter l'habit en dehors des temples et des cérémonies religieuses.

Le Gouvernement pourra accorder pour chaque religion et secte, à une seule personne qu'il jugera opportun, l'autorisation temporaire de porter l'habit ecclésiastique également en dehors des temples et des cérémonies religieuses.

A l'expiration de ladite autorisation, celle-ci pourra être renouvelée en faveur du même ou accordée à un autre ecclésiastique.

L'article 2 stipule que les associations légalement constituées, telles que les organisations de sports et de boy scouts, les sociétés, les clubs ainsi que les écoles, dans le cas où ils désireraient le port d'un habillement spécial, d'un insigne et accessoires, ne sauraient adopter que des habillements, insignes et accessoires conformes aux types établis par les règlements ou les instructions.

L'article 3 comporte qu'il est interdit aux Turcs et aux étrangers résidant en Turquie de porter les habillements, les insignes et accessoires ayant un rapport quelconque avec les organisations politiques, militaires ou les corps de milice des pays étrangers.

L'article 4 spécifie que la visite de la Turquie par les adhérents des associations étrangères, dans leurs propres tenues et avec leurs insignes et accessoires, est subordonnée à l'autorisation des autorités à désigner par le Conseil de Cabinet.

L'article 5 précise que la tenue des Envoyés auprès de l'État turc est régie par la coutume internationale.

Pour les personnes relevant des forces étrangères de terre, de mer et de l'air qui arrivent avec une autorisation spéciale, le Conseil de Cabinet statuera où et quand ils pourront porter leurs uniformes.

L'article 6 indique qu'un règlement fixera le mode d'application de la présente loi.

L'article 7 établit que les stipulations de l'article 1er entreront en vigueur six mois après la promulgation de la loi et celles des autres articles immédiatement après cette promulgation.

Enclosure 2 in No. 59.

Speech by Turkish Minister of the Interior.

(Traduction.)

LE Ministre de l'Intérieur Chukru Kaya, déposant à l'Assemblée nationale le projet de loi interdisant le port de certains vêtements, a dit :

"Messieurs,

"L'un des fondements de notre révolution, c'est le laïcisme. Or, être laïque c'est supprimer, dans les affaires de l'État, de la nation, toute influence religieuse. Depuis le jour où la république fut constituée, nous avons promulgué, à cet effet, d'importantes lois, pris d'importantes décisions. Ainsi, nous avons les lois sur l'abolition du califat, l'abrogation des tribunaux religieux, l'unification de

l'enseignement, la suppression des 'medresses' et des 'tarikats,' de même que la loi civile et les lois y afférentes. Cependant, la pratique nous montre et les directives de votre Assemblée nationale notamment nous donnent à comprendre qu'il est grand temps de promulguer certaines nouvelles lois. Ainsi, pour répondre à votre désir, je vous apporte aujourd'hui une de ces lois."

Le Ministre demanda, pour la discussion du projet, l'adoption de la procédure d'urgence, et, celle-ci ayant été votée, il remonta à la tribune et fit l'exposé suivant :

"Cette loi, dont le motif est fondamental, constitue une nécessité qu'impose la révolution. C'est là une question affectant l'existence même de la république, voire de l'Etat turc.

"Un Etat laïque qui tient compte de ces exigences se soucie peu des prescriptions de telle ou telle autre religion. Ces décisions sont dictées par des raisons majeures, imposées par les intérêts réels de la nation. La tenue des ecclésiastiques ne saurait lier notre Gouvernement, qui est foncièrement laïque. Il s'agit de l'œuvre de notre révolution, qui marche et qui doit marcher. Lorsqu'on fait une révolution, on doit obéir à ses exigences et soigner son développement, sinon elle suspendrait son cours et, même, elle rétrograderait, et dans ce cas il est aisé de concevoir le sort qu'aurait la communauté turque. Ne pas répondre aux exigences d'une révolution, c'est servir la cause de la réaction, c'est être réactionnaire, c'est préparer la même triste destinée que celle que l'empire avait préméditée pour cette nation. Jamais d'entre nous ne sortira un tel homme.

"Cette loi ne constitue pas une mesure prise contre tel ou tel individu ou bien contre telle ou telle autre organisation. Elle est générale, et imposée par les temps présents, par la révolution. Si cette mesure n'était pas adoptée aujourd'hui, la tranquillité, l'avenir du pays seraient voués à une issue pleine de gravités. C'est pourquoi il est nécessaire de voter cette loi aujourd'hui même, et c'est encore pour cette même raison que votre haute Assemblée a été priée de la discuter d'urgence.

"Voilà pour ce qui est de l'article 1er.

"Quant à l'article 2, il en est encore plus important et il est en corrélation avec l'ordre public du pays. Il est indispensable de pourvoir aux mesures nécessaires susceptibles de ménager tant les sentiments laïques et nationalistes de notre peuple que son amour pour l'indépendance. Ces mesures sont indispensables à tout égard, voire même pour éviter au pays une position précaire et, partant, une situation difficile à l'État et à votre Gouvernement. Gouverner, c'est prévoir et pourvoir. Votre Gouvernement qui jouit de votre confiance la perdrait le jour où il ne le ferait pas. Aussi avons-nous, en tenant compte de toutes les éventualités que le pays aurait à encourir, soumis ces articles 1er et 2 à votre haute Assemblée."

Après l'intervention de plusieurs orateurs qui se félicitèrent de cette loi, et répondant à une question, le Ministre a déclaré :

"Oui, la théorie voudrait que, lors de la fondation d'un État, de l'adoption d'un système, on en tienne en vue toutes les exigences éventuelles et aussi toutes les conséquences, et l'on procède à une codification d'ensemble; mais l'État est un organisme dont chaque jour les besoins sont autres et, si cette loi a tardé, ceci ne provient nullement d'une négligence quelconque, mais de ce qu'il n'était pas encore temps. Les pouvoirs du domaine du service public que demande le Gouvernement sont vraiment insignifiants et ils comportent de grosses responsabilités. Si certains pouvoirs n'étaient pas attribués aux Gouvernements pour les grandes affaires qu'ils ont à traiter, il leur serait très difficile de remplir entièrement leurs missions."

Répondant finalement à une dernière question, Chukru Kaya précisa que le rôle d'immixtion de la religion dans les affaires matérielles est désormais terminé.

[E 7433/7431/44] No. 60.

Sir P. Loraine to Sir John Simon.—(*Received December* 13.)

(No. 584.)

Sir, *Angora, December* 5, 1934.

I HAVE the honour to inform you that, on the 21st June, 1934, the Grand National Assembly voted a law imposing on every Turk the obligation of taking a surname. The law, a translation of which I enclose, will come into force on the 2nd January, 1935.(1)

2. Up to the present Turks have generally been content to go through life with what corresponds to a Christian name only. In future they are to have family names of their own choosing as well. They may not choose names denoting a rank or office, a tribe or a foreign race or country. Neither may they take names contrary to public morals, nor those which excite disgust or ridicule. Names of famous historical personages are also banned. All new names must be registered, and penalties are provided for those who neglect to select names, or who take names forbidden by the law.

3. The Bill encountered no opposition in the Assembly. Numerous speakers who supported the Bill drew examples from the usage in "Europe," in "France" and in "other civilised countries," and cries of Okay (a "Turkish" word meaning Hear! Hear!) applauded their efforts. It so happened that the Bill was laid in the Assembly at the time of the State visit to Angora of the Shah of Persia in June last, and Sükrü Kaya tells me that its favourable reception by that body was largely due to an allusion which he made to the difficulties which the Shah had encountered seven years previously, in putting through a similar measure in Persia. The Turkish Deputies had thought it an excellent joke that Turkey should be seven years behind Persia in a reform of this kind, and the allusion put them in a thoroughly good humour.

4. Now that the Bill is coming into force, all are busy selecting names which will conform with the requirements of the law. Arabic and Persian words being banned, purely Turkish words, and especially words taken from primitive Turkish languages and dialects, are being chosen. The President of the Republic is now known as K. Atatürk, Kâzim Pasha, President of the Grand National Assembly as K. Özalp, Ismet Pasha as I. Inönü, and Fevzi Pasha as Marshal F. Çakmak. I am told that the Vali of Constantinople has taken the name of Kültür (a "Turkish" word derived from "Kıldırmak" and meaning culture).

5. It may well be understood that Turks are at present finding great difficulty in remembering their own new names, and those of their friends. The difficulty is increased by the fact that a new law has just been passed abolishing all titles and familiar appellations such as Ağa, Haci, Hafiz, Hoca, Efendi, Bey, Beyefendi, Paşa, Hanım, Hanımefendi and Hazretleri (Excellency). I enclose a translation of this law.(1) It will be seen that war medals only are recognised by the State, and that, while military grades are sanctioned, civil grades are abolished. Mareşal, general and amiral will replace the corresponding Turkish titles.

6. The object of the law on surnames is avowedly to bring Turkey into line with "other civilised countries," and of the law on titles to abolish classes, or anything tending to create distinctions, among Turkish citizens, and the latter law is widely proclaimed as a democratic and republican measure.

I have, &c.

PERCY LORAINE.

(1) Not printed.

[E 7435/1204/44] No. 61.

Sir P. Loraine to Sir John Simon.—(*Received December* 13.)

(No. 587.)

Sir, *Angora, December* 8, 1934.

I HAD the honour to inform you, by my telegram No. 64 of the 6th December, that the Grand National Assembly had approved a measure making women eligible to vote in parliamentary elections and to be elected as Deputies. I would

invite reference, in this connexion, to Sir G. Clerk's despatch No. 390 of the 16th September, 1929, on the subject of the electoral system in Turkey.

2. The new law, a translation of which will be sent to you as soon as possible, accords the right of suffrage to men and women citizens aged 22 years and over, and thus involves a modification of articles 10 and 11 of the Constitution (Law No. 491 of the 20th April, 1924—*Rizzo* II, p. 297), article 10 having provided that "every male Turk who has completed his 18th year has the right to take part in parliamentary elections."

3. The new law further provides that every Turkish citizen, man or woman, aged 30 years and over, is eligible for election as Deputy, whereas in accordance with article 11 of the Constitution only men have hitherto been eligible for the Deputyship.

4. Provision is made under the new law for the election of one Deputy for every electoral division having a population of 55,000 or under. Divisions with a population of between (*a*) 55,000 and 95,000, (*b*) 95,000 and 135,000, (*c*) 135,000 and 175,000 will elect two, three and four Deputies respectively. These provisions supersede those contained in article 1 of Law No. 86 of the 3rd April, 1923 (*Rizzo* I, p. 278).

5. In laying the Bill before the Assembly, General Inonü (better known as Ismet Pasha) emphasised the fact that the suffrage and Deputyship were being accorded to women not as a favour, but as a right earned by the men's worthy collaborators in the work of the revolution. A French rendering of the Prime Minister's speech on this occasion is enclosed herein.(1)

6. The press is unanimous in declaring that the women of Turkey, delirious with joy, are everywhere holding high festival in celebration of this outstanding victory of feminism. At Angora a public meeting of women was held at the People's House to thank Atatürk (as the Gazi is now called) and was attended by a large number of the more prominent women, including the wives of the Prime Minister and the President of the Grand National Assembly, as well as Bayan (new Turkish for Mrs. or Miss) Afet, the principal adopted daughter of the President of the Republic. A deputation of ladies proceeded from the meeting to the Assembly in order to express, on behalf of the women of Turkey, their gratitude to the Government and Deputies for the newly-conferred boon.

7. According to the *République*, several Deputies have expressed, in the corridors of the Assembly, the opinion that now that Turkish women are in possession of full political rights they should not be denied the right of performing military service, and that regiments of women, such as exist in certain other countries, could render valuable assistance, if not in the front line, at least in the auxiliary services of the army.

I have, &c.
PERCY LORAINE.

(1) Not printed.

E 7565/2462/44 — No. 62.

Sir John Simon to Sir P. Loraine (Angora).

(No. 71.)
(Telegraphic.) *Foreign Office, December 20, 1934.*

YOUR telegram No. 63 of 3rd December: Turkish Government's desire to place orders for war vessels in the United Kingdom.

You will have seen from Geneva telegrams No. 102, L.N., of 22nd November and No. 117, L.N., of 7th December and my telegram No. 139 of 8th December to Geneva (copies sent to you in my despatch No. 504 of 13th December), that Tevfik Rüstü has raised this question with Mr. Eden at Geneva, but that there are very serious difficulties of finance and of general policy in the way of giving Turkey (and/or Greece) any encouragement to proceed with the proposal.

2. Mr. Eden was obliged to leave Geneva before instructions could be sent to him for a final reply to Tevfik Rüstü, and I shall, therefore, be glad if you will

now make oral communication to the Turkish Government, in whatever way and at whatever moment you think most suitable, on following lines:—

3. As you have already foreshadowed, there can be no question of grant of export credits for supply of war materials to any foreign Government, since this is prohibited by statute. As regards suggested raising of loan, His Majesty's Government have no power to give assistance, and question of possibility of raising embargo would only arise if conditions were such as to enable Turkey or Greece to raise loan on London market. You may explain informally that His Majesty's Government cannot see how this would be financially possible in present conditions.

4. Meanwhile, however, the proposal seems open to very grave objections of principle which it is desirable to bring home to the Turkish Government at earliest suitable opportunity.

5. Chief of these from point of view of Turkey and Greece seems to be that new construction on their part might lead Italy to increase her naval forces at least by an equal amount. Result would be increased rivalry and suspicion and a position in which Turkey and Greece, after having expended much wealth which could have been far more usefully employed on internal development, might in the end find themselves less, instead of more, secure. Moreover, a Turco-Greek programme of new construction followed by a correspondingly increased Italian programme would have serious repercussions elsewhere, more particularly in France, and could only have a most unfortunate reaction on our efforts to secure a general limitation of naval armaments.

6. You should make it clear to Turkish Government that as a sincere friend and admirer of the new Turkey, and realising the Gazi's devotion to the cause of peace, I feel it incumbent on me to inform them frankly of these dangers, which are such as make the project, in the interests of Turkey and Greece themselves, as well as in those of disarmament and general tranquillity, open to grave question.

7. At the same time, I realise that the Turkish and Greek Governments must be the judges of what their interests require, and you should let the Turkish Government understand that if the two Governments should, after all, definitely decide to proceed with the whole or with part of the proposed programme, His Majesty's Government would be glad to have early information. In the first instance, however, His Majesty's Government do earnestly beg the Turkish Government to weigh most seriously the grave considerations outlined above.

(Addressed to Angora, No. 71. Repeated to Athens No. 19, Saving.)

E 7565/2462/44 — No. 63.

Sir John Simon to Sir P. Loraine (Angora).

(No. 72.)
(Telegraphic.) *Foreign Office, December 20, 1934.*

MY immediately preceding telegram: Turkish Government's desire to place orders for war vessels in the United Kingdom.

For your own information, I may add that the Admiralty are greatly concerned at the small proportion of foreign orders which has been placed in Great Britain in recent years. A steady flow of foreign orders is essential if private yards upon which British navy largely depends are to remain efficient. If, therefore, in spite of our advice, Turkish or Greek Governments decide to pursue programme, it is very desirable that order should be placed in Great Britain.

(Addressed to Angora, No. 72. Repeated to Athens, No. 20, Saving.)

[W 11042/1300/98] No. 64.

[C.L.216.1934.V.]

Pacific Settlement of International Disputes General Act (Geneva, September 26, 1928).

ACCESSION OF TURKEY.

Secretary-General, League of Nations, to Sir John Simon.—(Received December 22.)

Geneva, December 19, 1934.

Sir,

I HAVE the honour to inform you that his Excellency the Turkish Minister for Foreign Affairs has notified to me the accession of the Turkish Government to the General Act (Pacific Settlement of International Disputes) of the 26th September, 1928.

The accession of Turkey is an accession to all the provisions of the Act. It is subject to the following reservations:—

(Translation.)

The following disputes are excluded from the procedure described in the Act:—

(*a*) Disputes arising out of facts or situations prior to the present accession;
(*b*) Disputes relating to questions which by international law are solely within the domestic jurisdiction of States;
(*c*) Disputes affecting the relations between Turkey and any third Power.

This accession was communicated to the Secretariat of the League of Nations by a letter received on the 26th June, 1934. It accordingly became effective on the ninetieth day following such receipt, in accordance with article 44 of the General Act, *i.e.*, on the 24th September, 1934.

The Secretariat was unable to give earlier notification of the accession to the States concerned. The communication received on the 26th June, 1934, from the Turkish Government was capable of being interpreted as announcing that the accession would soon be effected, and not as an actual accession. The Turkish Minister for Foreign Affairs, by a further letter dated the 10th December, 1934, has now made clear the meaning of his previous communication, and stated that it should be regarded as a formal accession by Turkey to the General Act.

I have, &c.
(For the Secretary-General),
H. McKINNON WOOD,
Acting Legal Adviser of the Secretariat.

[E 7707/1204/44] No. 65.

Sir P. Loraine to Sir John Simon.—(Received December 27.)

(No. 590 E.)

Sir,

Angora, December 17, 1934.

I HAVE the honour to inform you that the celebration of the annual "Thrift and savings week" began on the 12th December. It was inaugurated by a speech at Angora of Ismet Inönü, the Prime Minister, and was marked throughout its course by public meetings and processions, broadcast speeches, and special newspaper articles, all designed to impress on the public the progress made by Turkey in economic and financial affairs under the republic, and to induce them to place all their energies and their savings at the disposal of the State in order to further the realisation of the State's industrial and economic programme.

2. The chief points of Ismet Inönü's speech were the following:—

Economic Situation.—Turkey's economic situation has taken a turn for the better. Home trade is improving, and foreign trade is showing a better tendency. The prices of Turkish products are going up. Compared with last season better prices have been obtained abroad for raisins, cereals, figs, wool, cotton, mohair, olive oil and tobacco.

Foreign Trade.—Turkey is to a large extent replacing the system of import of goods by quotas by that of import on a "clearing" or "barter" basis.

Industrialisation.—Execution of the quinquennial plan, begun in 1934, is being steadily carried out. The following are details:—

(*a*) A glass works will be opened in 1935.
(*b*) Textiles.—A mill has been opened at Bakirköy, and another will begin work at Kayseri in the spring of 1935. Another is building at Eregli, and it is expected that the foundation-stones of mills at Nazilli, Malatya and Bursa will be laid in the coming year.
(*c*) Semi-coke produced in Turkey will be on sale in Turkey in 1935.
(*d*) Plans for the iron and steel industry, the hemp industry and the chemical industry are all under consideration.
(*e*) A paper-mill has already begun work.

Prices of Raw Materials.—Owing to the increased use of raw materials in the home market, export prices have perceptibly gone up.

Stocks.—Turkey has no old stocks and has buyers waiting for goods not yet produced to the value of £T. 24 million.

Financial Situation.—The estimated budget expenditure for the current financial year together with later estimates for national defence was £T. 185 million. In six months revenue to the amount of £T. 90 million has been collected and it is expected that the balance will easily be found in the remaining six months.

Stock of Gold and Value of Turkish Money.—Last year Turkey's stock of gold was 15 per cent. of the paper money in circulation. This year it is 16·5 per cent. Turkey has not yet proclaimed by law that she must have a gold cover for her paper money, and could easily have accumulated more gold if she had not preferred to facilitate her trade exchanges with foreign countries rather than restrict them. The value of Turkish money will be safeguarded. All the conditions requisite for stabilisation exist. Turkey will not let her money be devalorised, and has no intention of devalorising it. Foreigners are glad that Turkish money is stable. For Turks who wish to save, the safest money is Turkish money.

Foreign Affairs.—Although in the past year there have been times of acute tension in the international situation, there has been a perceptible easing off recently. This relief for humanity is due to the efforts of the League of Nations. Turkey has good relations with all Powers, and no grave problem in foreign affairs confronts her. The Balkan Pact, particularly, has contributed to the peaceful development of her relations with her neighbours. While basing her foreign policy on goodwill, Turkey considers that she must follow the example of all other nations in maintaining efficient forces for national defence, and Turkey's citizens will not cavil at expenditure under this head.

Home Affairs.—Peace and security throughout the country permit the fertile development of the new Turkey, and the progress of the country will be greatly helped by the recent decision of the Grand National Assembly to give women parliamentary suffrage.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 7708/264/44]

No. 66.

Sir P. Loraine to Sir John Simon.—(Received December 27.)

(No. 591 E.)

Sir,

Angora, December 18, 1934

I HAVE the honour, with reference to paragraph 2 of my despatch No. 313 of the 4th July last, to transmit to you herewith the first of the proposed series of half-yearly economic reports on Turkey. The report has been prepared by the commercial secretary to His Majesty's Embassy.

2. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 66.

Half-Yearly Economic Report on Turkey.

IN the annual report on Turkey for the year 1933, an outline of the Turkish Government's economic policy was furnished.

In that report certain Government measures to ensure stability of currency and the development of industry were reported upon. It is, therefore, proposed to furnish an account of the advance made by the Turkish Government since then in these directions, as they constitute the essential bases of the Government's economic policy.

The extent of the progress made will be dealt with under certain headings, which define to some extent the direction taken by the Republican régime in other aspects of economic policy, which tends more and more towards economic nationalisation and to the appropriation of existing foreign concessionary companies, practically on the Government's own terms.

1. *Restriction of Imports by Tariff, Quotas and Control of Currency.*

As stated in the report referred to in the introduction to this memorandum, the Turkish Government, from the early days of the Nationalist régime, had, as its objective, the adjustment of its trade balance, the development of industry and the stability of national currency.

These objectives, which are, of course, close interrelated, have been attained by means of the following factors:—

(*a*) The application of a quota system of imports;
(*b*) Protective tariffs for the development of industry;
(*c*) Clearing agreements, and a rigid control on exchange.

2. *Canalisation of Trade through Barter, Clearing and Compensation Agreements or through Banking Connexions influencing the Direction of Foreign Trade.*

Clearing and compensation agreements have been signed by most countries trading with Turkey, including France, Germany, Greece, Austria, Hungary, Czechoslovakia, Sweden, Finland, Roumania, Spain, Italy, Switzerland, Bulgaria, the Netherlands, the U.S.S.R., Norway and Belgium. The United States of America have been granted, by a unilateral agreement, all the import concessions accorded to "clearing" agreement countries in consideration of the fact that the commercial exchanges between the two countries are heavily in favour of Turkey.

Those countries which have concluded clearing agreements with Turkey have been induced to do so partly under the threat of the application of further quota restrictions, and partly as a result of the fact that, under the quota system,

large stocks of goods had accumulated at the Customs with little or no hope of clearance.

It is doubtful, however, if any of these countries have, in practice, benefited by these agreements. They have, no doubt, served to clear accumulated stocks from the Customs, but this is only a palliative and it would seem that the clearing agreements made between Turkey and foreign countries are working to the advantage of Turkey.

Apart from normal imports from abroad, Turkey has acquired, and continues to acquire, a large amount of material for public works schemes, armaments and other supplied under the five-year industrial plan. These are mainly supplied on long-term credit conditions and foreign suppliers only receive payment as and when money is available in their own country accruing from the importation of Turkish produce. In practice, the majority of clearing agreement countries have exported goods to Turkey very considerably in excess of their imports from this country and whereas the Turkish exporter is paid almost at once through the State Bank, the foreign supplier is obliged to wait for some time for his money.

The result has been to create an abnormal demand from clearing countries for Turkish produce in order to free their frozen credits.

Germany has bought up practically all the wool and mohair clips and the interior of Anatolia is being ransacked for old stocks to meet the continued demand. Meanwhile, the price of mohair has increased from about 8*d* per lb. to 15*d*.

The same conditions apply in varying degrees to other Turkish produce. The fig crop has already been disposed of and the sultana crop is practically exhausted.

Soviet Russia is another heavy buyer of wool, mohair, furskins, &c., at prices beyond world levels.

There are, however, certain disadvantages from Turkey's point of view in the present position, for although her crops are being sold at good prices, she is often obliged to limit her enquiries for war material, &c., to a small group of clearing countries.

Non-clearing countries are excluded from Government contracts and even some of the clearing countries dare not take on new contracts because of their existing blocked credits and their fear that no further Turkish produce will be available until next autumn.

3. *Commercial Negotiations and Grievances.*

In paragraph 2 an outline has been furnished of the position under clearing agreements. The negotiators of these agreements have all of them experienced great difficulty in their negotiations. The Turkish negotiators were determined in no way to deviate from their economic policy and in these circumstances it is generally considered that they have had the best of the bargain for the reasons furnished in the preceding section of this memorandum.

The case of Belgium may be of interest, however. Unlike other countries, the Belgian Government controls exports to Turkey and therefore assures that the value of shipments to Turkey is not in excess of Turkey's exports to Belgium.

Whilst this measure is looked upon as being a prudent one, Belgium's trade with Turkey shows an astounding drop, representing, approximately, 18 per cent. of her normal trade with this country.

The general result of these clearing agreements has been to leave most foreign countries with the feeling that they have been drawn into making a bad bargain, and the large sums lying "frozen" at the Turkish State Bank and the delays experienced by foreign exporters in obtaining payment have accentuated this belief.

As far as the United Kingdom is concerned, under present conditions, the principal factors working to the detriment of her trade are:—

(*a*) The accumulation of large stocks at the Customs which cannot be cleared owing to the quota restrictions and the consequent inability of United Kingdom exporters to receive payment.
(*b*) The uncertainty attendent upon the shipment of goods, except those on the "free list."
(*c*) The practical exclusion of United Kingdom firms from participation in Government and municipal adjudications.

4. *Relations of the Turkish Government to Banking, Trade and Industry and Agriculture.*

Every endeavour has been made by the Turkish Government to encourage the development of Turkish banking. These efforts have been successful on the whole and, therefore, foreign banks or banks with foreign capital have found that with an increase in the number of Turkish banks, which, under the existing legislation, benefit by numerous prerogatives, their activities are and continue to be restricted.

The Sümer Bank was created by virtue of a law promulgated in June 1933 providing for—

(1) The transfer to this bank of the duties, profits, working capital, reserve fund, and other assets of the State Industrial Credits Bank;
(2) The transfer of accumulated capital, assets, existing plant and profits of Government factories, which had until then been administered by the former State Industry Office, and
(3) The allocation of credits granted by the State.

The most recent half-yearly report of the Sümer Bank transmitted to the Foreign Office in our despatch No. 345 E of the 19th July and an account of the activities of the Is Bankasi (despatch No. 423 E of the 6th September) furnish an idea of the relations of the Government with banking and industry, the progress made in this domain and the active part to be taken by the Sümer Bank and the Is Bankasi in industrial development under the Government's five-year plan.

An account of the country's industrial advance is furnished under paragraph 5 of this memorandum.

The Turkish Government has also played an active rôle in the domain of agriculture.

The Agricultural Bank, which is an important Government institution, has increased the number of districts in which it has been called upon to intervene in order to buy up wheat at prices in excess of the market quotations with a view to maintaining the internal price of this cereal and making it possible for the farmers to obtain a remunerative price for their crops.

Other measures taken by the Government in connexion with banking have been :—

(i) The fixation of a maximum rate of interest for loans which crowns the struggle undertaken against usury and frees the Turkish peasant from the exorbitant and ruinous rates which he had hitherto been obliged to pay in order to finance his labour and other expenses;
(ii) The postponement, under conditions which respect the interests of debtor and creditor, of the sale of property which has been hypothecated or seized, the sale of which by auction would not represent 75 per cent. of the real value.

5. *Industrial Development.*

The development of industry continues to progress as a result of the various measures applied by the Turkish Government, such as—

(*a*) The prohibitions or the drastic limitation under the quota system of all products competing with similar articles of native origin;
(*b*) The establishment of customs franchise for machinery and raw material for industrial purposes;
(*c*) Exemption for a period of years from the payment of the profits tax by industrial establishments, additional increases in customs duties, and the creation, already referred to, of the Sümer Bank, which has been founded in order to assure, under adequate conditions, the credits necessary for the exploitation of national industry, and its development under the five-year plan. This plan constitutes a foundation upon which the economic activities of the country are to be built, and it also provides for the direct control of industry by the Turkish Government, and the conversion, by the creation of a number of factories, of the main industries of the country into practically a monopoly.

The Turkish Government has already monopolised the sugar industry. It already possesses textile mills, and when the new mills are in operation the Government's participation in the textile industry will be preponderant.

Quite recently a decree was promulgated wherein the conditions under which private industrial enterprise may take part in the cotton textile industry were defined. This measure was to be expected owing to the development of a State-controlled cotton textile industry.

In his annual report for the year ending June 1934, the commercial secretary furnished a comprehensive chapter under the heading of industry and production, with an account of its recent development.

Subsequent to the period reviewed in this report the foundation stones of the following industrial establishments have been laid by the President of the Council and the Minister of National Economy :—

	Approximate producing capacity in metres.
The Kayseri textile factory	30,000,000
The Eregli textile factory	4,000,000
	500,000 kilog. of thread.

A paper factory at Izmit. When this factory is in operation it will have a daily productive capacity of 35 tons.

A factory for the manufacture of bottles to be erected at Paşabahçe, situated on the shores of the Bosphorus.

A factory at Zonguldak for the carbonisation of coal and the distillation of benzine and tar by a low temperature process.

According to the press it is estimated that this distillation plant will have a producing capacity of 200 tons of artificial anthracite and coke per diem.

The plant is to be supplied by a German firm, and the turbo-generating plant by a Swedish manufacturer.

In addition, it is the intention of the Turkish Government to establish the following industries which were included in the five-year plan :—

An electric cable factory.
Sulphur refinery.
Salt refinery.
Copper smelting, rolling-mills and electrolitic refinery.
Silver lead refinery.
Iron works and general engineering.

6. *Shipping Policy.*

In all their treaties of commerce and navigation the Turkish Government have reserved cabotage to vessels under the Turkish flag, and have also maintained the right to grant subsidies to national shipping with a view to its development.

In our Treaty of Commerce and Navigation, national and most-favoured-nation treatment was granted in so far as navigation is concerned, and although under the profits tax the undesirable principle of double taxation exists, seeing that foreign shipping companies are also taxed in their home ports, it cannot be stated that any discrimination exists in favour of Turkish shipping.

A law, promulgated on the 31st May, 1933, provided for the monopolisation of national shipping under the Direction of Maritime Services.

Under the form which the monopoly has taken, the vessels of the Seyri Sefaine (a State shipping company) have been transferred to a coastal traffic service known as the "Denizyollari Işletme Müdürlügü" ("La Direction de l'Exploitation des Services maritimes"). This service assures the regular transport of mails, passengers and cargo between one Turkish port and another, and is dependent on the Under-Secretary of State for Maritime and Aerial Transport, Ministry of National Economy, a post which has recently been created. The budget of this department will not, as in the case of the Seyri Sefaine, constitute an annexe to the State budget.

In addition to the maritime service exploited by the "Direction de l'Exploitation des Services maritimes" the law provided for the constitution of a Turkish limited liability company, which is intended to assure a regular service of passengers, cargo and mails between Turkish ports. This service operates

under the supervision of the Ministry of National Economy, and all tariff rates are uniform.

The services of the two companies have been fixed by the Ministry in order to avoid duplication and unnecessary competition.

The ferry services in Istanbul of the Seyri Sefaine Steamship Company have been transferred to a new company known as the "A.K.A.Y." (Anadolu, Kadiköy, Adalar, Yalova), which was formed by the Ministry of National Economy and is dependent upon the Under-Secretary of State for Maritime and Aerial Communications. As in the case of the "Direction de l'Exploitation des Services maritimes" it has an independent budget of its own.

Separate organisations have taken over the exploitation of the Seyri Sefaine factories and docks, as well as of pilotage and towage, which latter services were formerly also exploited by the company in question. These organisations are also dependent upon the Ministry of National Economy under distinctive and independent budgets.

As a shipbuilding industry does not exist in this country, old vessels are acquired for coastal traffic from foreign countries, the most recent additions to national shipping being four Dutch vessels, one French and two Italian.

The ferry service, on the other hand, generally acquire new vessels, the demand being shared by the United Kingdom, France and Germany.

There are still a large number of old hulks available for scrapping in the port of Istanbul, but of recent years no announcements have been made as regards their disposal, and it is not believed that their break-up value would be very great.

7. *Development of Civil Aviation.*

By virtue of a law voted on the 23rd May, 1933, a State administration was created for the exploitation of aerial communications dependent upon the Ministry of National Defence, but it is believed that this administration will be transferred to the Ministry of National Economy.

A service between Istanbul–Angora and Diyarbekir is now in operation.

Every Sunday the aeroplane for Angora leaves Istanbul and, after landing at Angora, goes on to Kayseri and Diyarbekir. On Mondays an aeroplane leaves Diyarbekir for Kayseri, Angora and Istanbul, but only mail is carried between Angora and Diyarbekir.

It is the intention of the Turkish Government to develop and extend their aerial services, and it is also reported that the Turkish Government are to open at Eskişehir an up-to-date establishment for the encouragement and spread of civil aviation.

8. *Public Finances, Budget and Government Indebtedness.*

Budget.

Years.	Revenue. £T. 000.	Expenditure. £T. 000.	Surplus + or Deficit −. £T. 000.
1927–28	200,400	198,900	+ 1,500
1928–29	218,900	201,100	+ 17,800
1929–30	218,500	213,300	+ 5,200
1930–31	190,200	203,400	− 13,200
1931–32	165,200	198,200	− 33,000
1932–33	182,300	170,000	+ 12,300
1933–34	170,477	170,474	+ 3
1934–35	184,081	184,076	+ 5

The following is an account of Turkey's obligations in respect of the former Ottoman Public Debt, which has been taken from a statement prepared by the Exchange Telegraph Company.

Under the terms of the Treaty of Lausanne, which came into force on the 6th August, 1924, the loans guaranteed on the Egyptian tribute were considered as a direct obligation of Egypt, and the balance of the Ottoman Public Debt was divided between Turkey and the States which had received portions of the former Ottoman Empire. By the treaty the Council of the Ottoman Public Debt, which was entrusted with the distribution of the annuities of that debt, fixed the portion to be charged upon each successor State. On the distribution being

disputed by the States concerned the question was submitted to arbitration, and the award, given in April 1925, fixed the percentages to be taken over by the successor States. The chief allocations were: Of loans prior to the 17th October, 1912: Turkey 62·23 per cent.; Greece 10·57 per cent.; Levant States (Syria and Lebanon) 8·17 per cent.; Yugoslavia 5·25 per cent.; and Iraq 5·10 per cent.; of loans after the 17th October, 1912: Turkey 76·53 per cent.; Levant States (Syria and Lebanon) 10·05 per cent.; and Iraq 6·27 per cent. A commission which met in July 1925 repartitioned the nominal capital of the Ottoman Debt on the basis of the percentages agreed upon.

Agreements were concluded with Palestine and Iraq in 1928 (Italy having settled on behalf of Dodecanese in 1926). Negotiations with the other successor States have been continued, but so far without conclusion.

Paris Contract of June 13, 1928.—The nominal capital incumbent upon Turkey under the distribution provided for by the Treaty of Lausanne was £T. 107,518,671. For the resumption of the service of such debt negotiations were commenced with Turkey in 1925. They were concluded by the Paris contract of the 13th June, 1928. Under the terms of this contract Turkey agreed to pay annuities commencing with £T. 2 million gold from the 1st June, 1929, to the 31st May, 1936, rising by degrees to £T. 3,400,000 on and after the 1st June, 1952. The latter sum, as soon as it corresponded with full service and amortisation of all loans, Consolidated Treasury bonds and Arrear bonds, was to be reduced as amortisation proceeded. Interest (payable the 25th May and the 15th November) on Unified bonds was to be 47·22 per cent. of nominal rate from the 1st June, 1929, rising to 100 per cent. in June 1949, and, on other loans payable in sterling 34·43 per cent. in June 1929, rising to 100 per cent. in June 1952. Loans payable in French francs were to commence at 145 per cent. on the 1st June, 1929, rising to 250 per cent. on the 1st June, 1952, with a minimum of 100 per cent. in Turkish pounds. Lottery bonds were to be payable in French francs at 100 per cent. Treasury bonds of 1911, 1912 and 1913 were to be converted into 5 per cent. Consolidated Treasury bonds of 1928, redeemable in twenty years, at 99 per cent. for 1911 and 1913 and 107 per cent. for 1912 bonds, with interest at same rate as second category of sterling-paid coupons. Arrears of coupons, amortised bonds and scrip were to be exchanged into non-interest-bearing bonds, Series A at 75 per cent., B at 100 per cent. and C at 94 per cent. with twenty-nine redeemable coupons, and were to be redeemable in thirty annual fractions commencing the 25th November, 1929, the bond itself representing Coupon 30. Series A, in respect of loans payable in £ sterling, £T. or French francs, was to be redeemed at from 38 per cent. from the 1st June, 1929, to the 31st May, 1936, rising to 100 per cent. in June 1952. Series B, representing loans payable in French francs at 100 per cent., was to be redeemed at 145 per cent. for same period, rising to 250 per cent., and Series C, representing those payable in French francs without increase, at 100 per cent. The balance of annuities, after deduction of costs of administration, debt service commissions and expenses, was to be allocated to amortisation by drawings at par, or purchase. All drawings since the 6th August, 1924, were to be cancelled except for Lottery bonds, drawings for which, being already made, were to be paid as from April 1929.

Government had the right to suspend amortisations during the first two financial years, in which case they were to be resumed on the 1st June, 1931. As security for annuities for period the 1st June, 1929, to the 1st June, 1942, the Government assigned gross proceeds of customs duties and consumption taxes of district of Istanbul, Galata and Haidar-Pacha, to be increased thereafter by the same taxes and duties of the district of Samsun. Any deficiency was to be made up from general revenues.

The protection of bondholders' interests was entrusted to (i) Council of Repartitioned Public Debt of former Ottoman Empire; (ii) Council of Bondholders of Repartitioned Public Debt of former Ottoman Empire other than Unified Debt and Lottery bonds.

New Debt Agreement (April 22, 1933).—Turkey duly exercised the right to suspend amortisation for two years and paid the first annuity 1929–30. Before the beginning of the following year 1930–31, however, it declared that it could not pay more than one-third of the annuities agreed upon. The situation which arose was made the subject of protracted negotiations which resulted in the conclusion of a new agreement, signed by representatives of Turkish Government

and delegates from associations of bondholders in the various countries on the 22nd April, 1933. The new agreement provided for creation of new " Turkish Debt bonds " for the capital amount of 962,636,000 fr., of which 940,193,000 fr. is issued to represent the quota of Turkey in Ottoman Public Debt, and 22,443,000 fr. to settle other claims against Turkey. New bonds at 500 fr. each, bearing interest at 7½ per cent. per annum payable semi-annually, and the first coupon of 18·75 fr. was paid on the 25th November, 1933. Bonds are in bearer form and are unconvertible for ten years. Payment will be made in French francs and in a second currency which the Council of the Ottoman Public Debt will designate when it sees fit. The new issue is redeemable within fifty years by purchase or drawings. The service of the issue is covered by means of an annuity of £T. 700,000(1) gold guaranteed by pledging gross customs revenue of Istanbul, Galata and Haidar-Pacha. Government of Turkey began payments for annuity on the 1st June, 1933. All Ottoman bonds will be exchanged for new bonds, the rights of holders in respect of the quota falling on other debtor States being reserved. The exchange will be made on bases laid down by the committee under the Lausanne Treaty.

As regards internal loans, the sum of £T. 12 million was subscribed by the Turkish public for the purpose of extending the Fevzipaşa railway line to the Ergani copper mines, and a further internal loan of £T. 30 million is to be raised for the construction of the Sivas-Erzerum railway. The first instalment of this loan amounting to £T. 2 million is to be offered for public subscription on the 1st January next.

Reparations.—By the Treaty of Lausanne all pecuniary claims against Turkey were renounced.

9. *Currency, Credit and Exchange Policy.*

As the result of Turkey's economic policy, as outlined in the annual report for the year 1933, and a strict control on exchange operations Turkish currency has remained stable. Control on exchange operations was applied in 1929 and the effect of further restrictions applied subsequently has been to make this control exceedingly rigid.

The following points of importance in which the last decree on exchange control, known as Decree No. 11, differs from previous decrees are :—

Residents in Turkey may not transfer to others their cash or securities lying on deposit abroad without the authority of the Ministry of Finance or the exchange controllers.

Banks, firms and individuals in Turkey may be authorised to open credits, or effect deposits in Turkish money on behalf of persons or firms outside Turkey.

The facility previously granted by virtue of which banks were authorised to furnish exchange against the presentation of receipts issued by the customs attesting to the payment of the transaction tax on goods imported by the applicants has now been withdrawn. In future banks may not furnish exchange to consignees of goods imported from abroad unless authority has first been obtained from the Exchange Controller.

Banks are authorised, on conditions laid down in this article, to advance exchange in respect of goods supplied on cash terms, or cash against documents through banks.

The grant of exchange for despatch by companies working in Turkey to their shareholders and bondholders living abroad is subject to the special rules concerning such companies.

Travellers may freely import and export on their persons a sum not exceeding £T. 25.

Foreign companies who are established abroad, and who desire to do business in Turkey, must bring from abroad, in foreign currency, the sum necessary for that business.

Individuals and firms abroad having a credit balance in Turkish money in their branches in Turkey or with their correspondents in Turkey, or in banks in

(1) During a transitional period of six years from the 1st June, 1933, the annuity of £T. 700,000 gold shall be constituted by the greater part of the payments of Turkey and for the rest by means of the funds for the execution of the agreement held by the Council. The payments to be made by Turkey are as follows: 1933-34, £T. 560,000 gold; 1934-35, £T. 585,000 gold; 1935-36, £T. 610,000 gold; 1936-37, £T. 635,000 gold; 1937-38, £T. 660,000 gold; and 1938-39, £T. 685,000 gold.

Turkey, cannot handle it without the visa of the Exchange Controller. The Ministry of Finance will draw up regulations showing the method of utilisation of these " blocked " balances.

Only the Central Bank and banks authorised by it may effect exchange operations on tourist ships visiting Turkey.

Tourists in general and visitors to Turkey must declare at the frontier the amount of foreign exchange in their possession, and have the amount noted on their passports. If they have no foreign exchange, this fact also must be noted on their passports. Before leaving Turkey they must obtain a visa from the Bourse Control in order to be able to export their foreign currency.

A detailed account of this decree, which replaces previous decrees for the safeguarding of Turkish currency, was reproduced by the Department of Overseas Trade in Circular No. C. 4370 of the 25th October.

10. *Foreign Borrowing or Lending Debts and Defaults.*

In June 1930 the Swedish Match Company, in exchange for the grant of the match monopoly, under a royalty of £T. 1,800,000 per annum, lent Turkey 8,600,000 dollars at 6½ per cent. for twenty-five years. In June 1931, it was announced that a credit for approximately £T. 3 million had been granted by Italy, of which one-third would be available to Turkey in specie, and a loan of 8 million dollars, for the purchase of machinery, to be repaid in Turkish produce over a period of twenty years, was arranged with the U.S.S.R. The arrangement with Italy has not been fulfilled.

Apart from these transactions the Turkish Government continues to refrain from contracting any exterior loan. Should the Turkish Government ever change its policy it is very doubtful whether the Government would ever consent, as under the Sultanate, to cede the administration of Government revenue to any institution representing foreign bondholders of any loan contracted abroad.

11. *Unemployment, Unemployment Insurance and Relief, Movements of Prices.*

Practically all liberal professions have now been reserved to Turkish subjects, and as the result a number of foreign subjects are now out of work, having been deprived of a livelihood as the result of the Government's legislation governing the aforesaid professions.

Labour questions have not hitherto been factors to cause any preoccupation to the Turkish Government, and up to the present the policy of the Nationalist régime has been to apply legislation to ensure the employment of Turks and Turkish subjects in the economic and industrial domain; and it is believed that with the development of industry and the development of Turkey's exports unemployment will decrease.

The standard of living has on the whole improved, and in general the cost of living for a native of the country as regards essential food-stuffs and certain commodities now produced locally has dropped.

This is mainly due to the fall in prices of certain essential food-stuffs. On the other hand the peasant class has suffered considerably owing to a decline in the purchasing power of the country and where previously it was able to afford certain commodities of a higher grade, this class has had not only to reduce its wants to a minimum, but also to resort to articles of inferior quality.

The increase percentage over July 1914 for the month of February 1932 in Turkish currency was equal to 1,310 per cent. as compared to 1,265·7 per cent. in February 1934. In March 1934 the increase percentage over July 1914 represented 1,209·9.

There is, however, likely to be an improvement in the country's purchase power should Turkish exports continue to increase under the Government's present economic policy, an outline of which has been furnished in this memorandum.

Legislation for the protection of labour is under consideration, and it is believed that a scheme providing for the insurance of workmen and their welfare will be included in this new measure.

Great efforts have also been made to raise the social standard of the people, and much money has been and is being expended on education.

12. *Marketing Schemes and Price Control.*

The Turkish Government has made efforts to improve the conditions of the peasant by pecuniary assistance, and, as already reported in this memorandum, the Agricultural Bank has increased the number of areas in which it has been called upon to intervene in order to buy up wheat at prices in excess of the market quotations, with a view to maintaining the internal price of this cereal and making it possible for the farmers to obtain a remunerative price for their crops.

It has, moreover, encouraged the formation of agricultural co-operative societies. In December 1931 the capital subscribed by these societies, together with advances made to the peasants by the Agricultural Bank, amounted to £T. 4,260,000.

In his despatch, Overseas Trade (B), No. 282/32, of the 22nd June, 1932, the commercial secretary furnished an account of the co-operative movement in this country, which showed that the co-operative movement was likely further to develop in the future.

Seventeen new co-operative societies were formed in the course of the year 1933.

The municipalities in large towns, such as Istanbul, have instituted a price control office for the establishment of bread prices.

13. *The Development of Large-Scale Enterprises and the Cartellisation of Industry.*

This subject has been treated under paragraph 5, under the heading of industry.

14. *Industry Mobilisation and Changes in the Extent to which the Country is dependent on Foreign Supplies for the Supply of Essential Commodities in the event of War.*

The subject under this heading has been receiving the serious consideration of the Turkish Government.

It is considered that Turkey is self-sufficient in coal, cement, charcoal and timber. Coal is produced in the Black Sea basin in sufficient quantities for the needs of the country. By virtue of a law promulgated on the 27th May, 1933, authority was granted to the Turkish Government to expend £T. 20 million on the construction of the Filyos–Irmak–Zonguldak–Eregli line. The construction of this line is essential, as it will run through the Turkish Black Sea coal basin, and will link up this area with the Filyos–Irmak Railway, and thus with the interior of Anatolia, which had to rely upon the distribution of coal through Turkish ports.

The coal output in 1933 attained 1,859,983 tons, as against 1,518,964 tons in 1932.

15. *Cement.*

There are five companies, with a total capacity of 235,000 tons per annum, whilst the requirements of the country are only from 130,000–140,000 tons yearly.

These companies are :—

	Capital. £T.	Annual production. Tons.
Ciments d'Anatolie (Kartal) ...	2,000,000	70,000
Chaux et Ciments (Bakirköy) ...	2,000,000	70,000
Ciments Aslan-Eskihisar (Darica)	560,000	50,000
Ciments Kurt (Bakirköy) ...	800,000	15,000
Ciments d'Ankara (Ankara) ...	600,000	30,000
	5,760,000	235,000

16. *Copper, Cereals, &c.*

The country should also be self-supporting in so far as copper is concerned, for when the Fevzipasa–Diarbekir line reaches Ergani, situated at kilometre 422, the rich Ergani copper mines will be exploited on a large scale. A company has been constituted by the Is Bankasi with a capital of £T. 3 million, of which £T. 1,800,000 has been called up.

The Ergani copper mine is under contract to begin production two years after the Fevzipaşa–Diarbekir railway line has reached Elaziz; as this point

was reached in June this year, copper should, therefore, be produced by the middle of 1936, and it is then hoped that the output per annum will reach 15,000–20,000 tons.

The country is rich in cereal crops also, and should be self-supporting in wheat and barley, which are essential commodities.

The wheat and barley crops for the years 1931, 1932 and 1933 were as follows :—

	1933. Tons.	1932. Tons.	1931. Tons.
Wheat	2,800,000	1,860,000	2,900,000
Barley	1,500,000	1,050,000	1,630,000

With the development of the textile industry, the Turkish Government is also concentrating upon the development and improvement of cotton growing in Asia Minor. The following figures may be of interest as showing the result of the crops in 1933, compared to those of the two immediately preceding years :—

		1933.	1932.	1931.
Tobacco	Tons	36,000	18,000	51,000
Opium	Cases	3,500	1,540	5,700
	or Kilog.	266,000	117,000	430,000
Nuts	Tons	40,000	47,500	23,700
Raisins	Tons	55,000	65,000	26,000
Figs	Tons	32,000	32,000	28,000
Cotton	...	75,000	75,000	168,000
Sugar beet	Tons	500,000	200,000	...
Olive oil	Tons	15,000	35,000	11,500

17. *Mining.*

In order to stimulate mining, the Turkish Government promulgated in 1933 a decree reducing the mining royalties.

Although Turkey is believed to be rich in minerals, the mining industry, with the exception of coal and chrome, is relatively unimportant. This is the natural consequence of the absence of an iron and steel industry and of transport difficulties.

Chrome is mined on the Ægean littoral, and the output in 1933 was greater than in the previous year. The Dagardi mines in the Tavşanli district exploited by the Turk Maden Company (a Turkish company with German capital) supplied 32,000 tons, and the output of the Fetiye mines and other concerns was also satisfactory.

It is estimated that a sum of approximately £T. 4 million has been invested in the chrome mining industry.

Boracite.—The output of boracite from the Sultan Çay district attained 7,500 tons as against 5,000 tons in 1932.

Silver Lead.—The company exploiting the silver lead mines in the Balya district did not operate in 1932, but work was resumed in 1933, and hopes are entertained that, with an increase in prices, these mines will gradually regain their full activity.

Emery.—Emery is mined at Milas, and there was a decline in output, production having attained 5,100 tons in 1933, as compared to 6,000 tons in 1932.

18. *Communications* (Telephone and Wireless Communications).

It may be of interest to refer to railway development in this country in addition to the headings indicated above. In a recent memorandum transmitted to the Foreign Office, under cover of despatch No. 559 E. of the 22nd November, an interesting account of the present position of railway construction was submitted, and this, read in conjunction with the commercial secretary's summary under the heading of railway construction contained in his annual report up to June 1934, furnishes a fairly complete account of the progress made in railway construction under the new régime.

As regards telephone cables and wireless, a full report was transmitted to the Foreign Office under cover of despatch No. 462 of the 11th December, 1936.

Since that date an advance has been made in the development of the telephone and wireless systems.

In the year 1932 the Grand National Assembly voted a law authorising the Director of Posts and Telegraphs to cancel the concession of the Eastern Telegraph Company, and to conclude an agreement with the Imperial and International Communications (Limited), of which both the Eastern Telegraph and Marconi form part.

As the result of negotiations an agreement was reached, by virtue of which a Marconi wireless station was erected at Constantinople by the end of June 1933 and an emitting section as well. These stations are used for the transmission of commercial messages.

With the erection of this station and its emitting section, the Eastern Telegraph Company's concession has been cancelled, and the company has ceased operations in Turkey.

The aforesaid station started to operate in November 1933 (a memorandum on this station was transmitted to the Foreign Office under cover of despatch No. 469 of the 23rd November).

Telephonic communications have been established from time to time between this country and European capitals. It is now possible to communicate by telephone with the following countries: Austria, Belgium, Bulgaria, Czechoslovakia, Danzig, Denmark, France, Germany, United Kingdom, Italy, Greece, Hungary, Holland, Luxemburg, Norway, Netherlands, Roumania, Switzerland, Sweden, Monaco, Yugoslavia, Palestine, Egypt, Syria, Poland.

During the months of December 1931 and January 1932 a further service for telephonic communications between Angora–Constantinople and Salonica, Angora–Constantinople and Bucharest were established, and equipment was obtained for a carrier service of three circuits to enable communication between Constantinople and London in addition to other European centres. Telephonic communications between London and Constantinople were finally established in February 1933.

19. *Economic Penetration of Foreign Countries.*

The following figures, representing imports from Turkey by country of origin, give a concise idea of foreign penetration in this country. The situation of countries having clearing agreements with Turkey is set forth under a separate heading of this memorandum :—

Imports into Turkey by Country of Origin.

Country.	1933.			1932.			1931.			1930.		
	In millions of £T. (First 10 months.)	Position.	Percentage of Total Trade.	In millions of £T.	Position.	Percentage of Total Trade.	In millions of £T.	Position.	Percentage of Total Trade.	In millions of £T.	Position.	Percentage of Total Trade.
Germany ..	15·5	1	25·4	20·0	1	23·2	27·0	1	21·3	27·4	1	18·5
United Kingdom	8·0	2	13·1	10·6	3	12·4	14·3	3	11·3	16·5	3	11·2
Italy	7·2	3	11·8	11·0	2	12·9	18·4	2	14·5	20·4	2	13·8
Belgium ..	4·2	4	6·9	6·2	5	7·2	8·1	5	6·4	8·6	6	5·8
France ..	3·8	5	6·2	7·2	4	8·4	12·8	4	10·0	15·5	4	10·5
U.S.S.R. ..	3·0	6	4·9	6·0	6	6·9	7·2	6	5·7	10·6	5	7·1
Czechoslovakia	3·0	7	4·9	3·7	8	4·3	5·9	7	4·7	8·1	7	5·5
Japan ..	2·5	8	4·0	3·9	7	4·4	5·5	8	4·4	3·8	8	2·5

[E 7713/7431/44] No. 67.

Sir P. Loraine to Sir John Simon.—(Received December 27.)

(No. 598.)

Sir, *Angora, December 20, 1934.*

I HAVE the honour, with reference to my despatches Nos. 582 and 584 of the 3rd and 5th December respectively, to transmit to you the accompanying copy of a circular note from the Ministry for Foreign Affairs, informing the foreign missions in Turkey of the family names of the President of the Grand National Assembly, the President of the Council, and the members of the Cabinet.

2. It will be observed that the Ministers of Justice and of the Interior, Saracoğlu Şükrü and Şükrü Kaya, have been able to retain as a family name the more Turkish of the two names by which each was generally known. Although the recent law, a copy of which was enclosed in my despatch No. 584, contains no provision making the choice of a purely Turkish surname obligatory, most of the appellations daily announced in the press as having been assumed by persons of importance are "pure Turkish," and have significations which, however, quite escape all but the initiated few.

I have, &c.
PERCY LORAINE.

Enclosure in No. 67.

Circular Note from Turkish Ministry for Foreign Affairs.

LE Ministère des Affaires étrangères présente ses compliments empressés aux missions étrangères accréditées à Ankara et a l'honneur de leur faire connaitre les noms de famille du Président de la Grande Assemblée nationale ainsi que du Président et des membres du Conseil des Ministres :

M. le Général Kâzim Özalp, Président de la Grande Assemblée nationale.
M. le Général Ismet Inönü, Président du Conseil des Ministres.
M. Şükrü Saracoğlu, Ministre de la Justice.
M. Sükrü Kaya, Ministre de l'Intérieur.
M. le Dr. Tevfik Rüştü Aras, Ministre des Affaires étrangères.
M. Fuat Agrali, Ministre des Finances.
M. Abidin Özmen, Ministre de l'Instruction publique.
M. Ali Çetinkaya, Ministre des Travaux publics.
M. Celal Bayar, Ministre de l'Economie.
M. le Dr. Refik Saydam, Ministre de l'Hygiène et de l'Assistance sociale.
M. Rana Tarhan, Ministre des Douanes et des Monopoles.
M. Muhlis Erkmen, Ministre de l'Agriculture.
M. Zekâi Apaydin, Ministre de la Défense nationale.

Ankara, le 13 décembre 1934.

[E 7724/161/44] No. 68.

Sir P. Loraine to Sir John Simon.—(Received December 27.)

(No. 615.)

Sir, *Angora, December 22, 1934.*

I HAVE the honour to transmit to you the accompanying translation of a law providing for the allocation to the budget of the Ministry of National Defence of a sum of £T. 2,850,000 from income accruing from extraordinary sources during the years 1934 and 1935.

2. Though the wording of the law is somewhat vague, it is clear that there has been a surplus of £T. 2,850,000 in revenue for the years 1934 and 1935 under the heading "extraordinaries," and that this surplus will be assigned to the national defence budget.

3. In this connexion, I would invite reference to the information contained in Mr. Morgan's confidential despatch No. 260 of the 26th May.

4. I am sending copies of this despatch to His Majesty's Minister at Athens and to the Department of Overseas Trade.

I have, &c.
P. LORAINE.

Enclosure in No. 68.

(Translation.)

Law for Additional Extraordinary Allocations to the Budget of the Ministry of National Defence.

Law No. 2605 : Date of approval, December 10, 1934.

ARTICLE 1. The sum of £T. 2,850,000 from income accruing from extraordinary sources during the years 1934 and 1935 will be on one side entered in a special account in the revenue budgets of the above-mentioned years, and on the other side will be carried as an allocation to special accounts either already existing or to be opened in the budgets of the Ministry of National Defence, and will be spent on national defence services to be specified by the Council of Ministers.

Art. 2. This law comes into force as from the date of its publication.

Art. 3. The Minister of Finance is charged with the application of this law.

December 12, 1934.

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FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXIX

JANUARY TO JUNE 1935

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Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

Part XXIX.

[E 30/30/44] No. 1.

Sir P. Loraine to Sir John Simon.—(*Received January* 1, 1935.)

[By Post.]

(No. 46. Saving: Very Confidential.)
(Telegraphic.) *Angora, December* 26, 1934.

YOUR telegrams Nos. 71 and 72.

2. I have read to Minister for Foreign Affairs an oral communication in the sense of your instructions. As matter needed precision of language I made a text, which at his request I have left with Minister for Foreign Affairs for the purpose of taking notes and for return to me shortly.

3. His Excellency greatly appreciated frank and friendly tone of your response. He will, no doubt, consult President of the Republic, Prime Minister and Chief of the General Staff. I do not anticipate, however, that resulting answer when he communicates it to me will differ materially from what he immediately proceeded to tell me himself.

4. I will summarise point of view of Turkish Government as he explained it to me.

5. They consider that at the time of Milan conversations, from which dated Turco-Greek rapprochement, in respect of which they recognise usefulness of Italian good offices, there was an equilibrium in Eastern Mediterranean, but that this equilibrium has meanwhile been disturbed to Turkey's disadvantage during the last five years by Italian Government's action in arming and fortifying certain islands of the Dodecanese in close proximity to Turkish mainland, and later still by decision of Italian Government to build two 35,000-ton battleships. This Italian action has had two main results: (*a*) To compel the Turks to increase their aviation and their equipment of long-range mobile artillery to a point at which they can be sure of neutralising any threat from the islands against the mainland opposite; (*b*) to create a sense of insecurity in Turkey in respect of possible Italian aggression, and a suspiciousness of Italy which constant evidence of Italy's quest of political prestige tends to deepen.

6. In contrast to Turkey's relations with Russia, France and United Kingdom, where she has complete confidence, Italian policy has got on her nerves, and Turkish Government feel it to be their duty to their people to create conditions of absolute security against possible Italian aggression.

7. There are several methods by which they believe that this result can be achieved, and they have selected that of doubling defensive naval armaments of Turkey and Greece, thereby restoring the equilibrium ruptured by Italian arming of the islands, as the soundest, the least provocative, and the least likely further to embroil the international situation. The alternative methods are as follows: (*a*) Direct understanding with Italy involving disarmament of the islands. Turkish Government would gladly grasp any pretext for this purpose which held out prospect of success. But failure of their own efforts to clear up with Italians the uncertainties in regard to Italian intentions makes them

despondent of success in this direction. Put briefly, Italy has the power and is in a position to attack them. But without collateral guarantee they do not trust Italian undertaking not to do so. (*b*) Multilateral Mediterranean Pact of Mutual Assistance guaranteeing *status quo*. British participation in such pact is, in Turkish view, not indispensable if, as they anticipate, His Majesty's Government feel unable to accept new commitments. But it would suffice for Turkish purposes if such a pact enjoyed benediction and even patronage of His Majesty's Government, *e.g.*, if British attitude towards it was the same as towards proposed East European Pact. Greek Government is hopeful of this solution, but Turkish Minister for Foreign Affairs does not consider it realisable in present conditions. (*c*) Turco-Russian agreement for mutual naval assistance. (*d*) Similar Franco-Turkish agreement.

8. Turkish Government believe that either (*c*) or (*d*) could be obtained, but fear that either would accentuate tendency to split Europe up into opposing armed camps.

9. Turkish Government have therefore selected system outlined to Mr. Eden and to me, which engages no responsibilities other than those of Turkey and Greece, and, in my opinion, they intend to carry it out; preferably by constructing in British yards, but placing orders elsewhere if they are unable to make suitable arrangements with us.

10. Minister for Foreign Affairs pointed out to me that to place orders in Japan might indispose Russia, to place them in France might indispose Italy. Italy is out of the question in any case, and, moreover, Turkish Government are dissatisfied with their four Italian-built destroyers and intend ultimately to replace them as being useless in the Black Sea, though good enough for the Mediterranean. Germany is also barred because, according to Minister for Foreign Affairs, although Germany has torn up the Treaty of Versailles as regards exportation of land armaments, she is still respecting it as regards exportation of naval armaments.

11. Furthermore, Turkey feels strongly that her maritime interests are most closely linked with Russia and with United Kingdom.

12. Minister for Foreign Affairs points out that real strategical threat of Italian base in the Dodecanese is against the Straits and/or Suez. In the one case Turkey is the faithful friend of Russia; in the other of England. In the first case she intends to permit neither Russia to use the Black Sea end of the Straits to threaten anyone southwards nor Russia's enemies to threaten Russia in the Black Sea via the Straits. In the second case Turkish solidarity with the British interest is both negative and positive. Negative inasmuch as she wishes to neutralise any possible threat to Suez; positive inasmuch as in the event of a threat materialising her interests would dictate co-operation with England for defence of Suez.

13. Minister for Foreign Affairs counters your suggestion that proposed increase of Turkish and Greek navies will, by provoking Italian counter-building, leave Turkey and Greece not only poorer, but also less secure than they are to-day. Taking Turkish fleet only into consideration, he points out that present Italian tonnage is, at a conservative estimate, four times that of Turkey's. He argues that, for every ton Turkey lays down, Italy will be compelled to lay down 4 tons, if she is to maintain her proportional superiority, and that Italy will crack under the strain long before Turkey, the more so as offensive naval armament is more costly than defensive.

14. Turkey therefore believes measures which she now contemplates to ensure her own security are not only the best in her own interests, but also the least likely, assuming that an outside guarantee is either unavailable or undesirable, to injure the cause of international peace or of eventual limitation of armaments.

15. As regards finance, Minister for Foreign Affairs says Turkey can afford to spend £5 million sterling on naval construction. Her difficulty is in regard to finding foreign exchange in a short period without dislocation of fiscal and monetary policy to which she is pledged. The financial position of Greece is appreciably less favourable, and it was mostly in order to facilitate matters for Greece that question of a loan was mooted with Mr. Eden.

16. I ascertained that Turkey has already placed an order for five submarines in Holland with a German-Dutch firm; that the whole programme of new construction is already virtually settled, and that it *may* include a modern equivalent of the *Goeben*.

17. I pointed out to his Excellency that during our talk there had emerged a number of factors and considerations of which we were unaware while matter had been under consideration in London. The communication which I had made to him, while being a frank expression of your views on the issues as first presented to you, was not, as he would have observed, a conclusive one. I should now report his language to you in hope that there might be time for matter to be re-examined in London and for you or Mr. Eden to communicate to him in January at Geneva any further views you might have formed meanwhile. We should thus regard exchange of views as still continuing. To this he agreed.

18. I then suggested to him that pending completion of this exchange of views, it would be preferable for no further orders to be placed. I understood him to agree to this also.

19. Lastly, I suggested that as there seemed to be some chance of a general *détente* if the Saar plebiscite went off peacefully and satisfactorily, and if hopes of a Franco-Italian understanding were realised, the Turkish Government could afford to wait on events and not press on execution of their project for the moment. In this his Excellency concurred.

20. If one remembers the serious consequences which followed seizure on outbreak of war in 1914 of ships building in British yards on Turkish account and Turkish attack on Suez Canal during the war, present attitude of Turkish Government is one of considerable historical as well as present interest, and it shows remarkable extent to which Turkish post-war hostility and suspiciousness have been replaced by confidence in England and a sense of common interest.

[E 37/30/44] No. 2.

Sir P. Loraine to Sir John Simon.—(*Received January* 1, 1935.)

[By Post.]

(No. 47. Saving.)
(Telegraphic.) *Angora, December* 26, 1934.

MY immediately preceding telegram.

The situation clearly is that unless we are prepared to give the Turkish Government a guarantee, or tell them where to obtain one, they intend to carry out their building programme, and that if arrangements cannot be made to finance orders with British yards, orders will go to our foreign competitors. They are, in fact, giving us a first option.

In these circumstances I thought it best, in compliance with wishes of Admiralty, to keep the door as wide open as I could for the placing of orders in the United Kingdom without weakening the generally determined character of your communication.

Postulating that any guarantee by us against an Italian aggression is entirely out of the question—and the Turks themselves realise this—I consider the cause of Anglo-Turkish relations in the near future will be considerably influenced by degree of help, or the reverse, which we are able to give them in realising their project. If we can help them and obtain the order for British yards, it may even be a question of Turkey coming once more, and willingly, under our naval ægis; the converse is easy to visualise. I suggest that there is here a question of high policy which needs taking into account, and that the decision which lies before His Majesty's Government is a pregnant one.

[E 93/30/44] No. 3.

Sir P. Loraine to Sir John Simon.—(*Received January* 4.)

(No. 3. Confidential.)
(Telegraphic.) *Angora, January* 4, 1935.

MY telegrams Nos. 46 and 47, Saving.

Turkish Minister for Foreign Affairs tells me that he has consulted Chief of General Staff and that answer he gave me (see my telegram No. 46, Saving) is confirmed by Turkish Government.

Turkish Government intend to complete their naval programme and regard exchange of views initiated with His Majesty's Government as being continued.

Will you or Mr. Eden be prepared and in a position to make any further communication on the subject to his Excellency at Geneva?

[E 116/32/34] No. 4.

Sir P. Loraine to Sir John Simon.—(*Received January* 4.)

(No. 4.)
(Telegraphic.) *Angora, January* 4, 1935.

MY telegram No. 73.

I have not seen Persian Minister for Foreign Affairs who was to leave yesterday evening for Constantinople, where he may meet Nuri Pasha.

Minister for Foreign Affairs tells me that Kazemi and Nuri differed on every point save one, viz., unanimously rejecting his suggestion that sovereignty over waterway should be divided and waterway itself should then forthwith be internationalised.

Only explanation as between this statement and that of Minister for Foreign Affairs recorded in my telegram No. 12, Saving, of 18th July, 1934, from Constantinople is complete *volte-face* by the Persian Government, and this would lend colour to the view that Persian Government aim at extrusion of British interests in Shatt-el-Arab.

Turkish Minister for Foreign Affairs reiterated inability of the Turkish Government to recognise validity of 1913 protocol.

He expressed hope that the two parties would be brought to an agreement under the auspices of the League of Nations.

He argued, and it seems likely that his arguments were gleaned from Kazemi, that, apart from question of sovereignty, Persia, as a riparian owner, could not rest content with a situation where interest in fluvial navigation was dependent on will and pleasure of Iraq and she had no share in revenue derived from shipping.

I observed first that I was by no means sure that this description of present conditions was accurate; secondly, that Iraq paid all the expenses.

(Repeated to Bagdad and Tehran.)

[E 231/231/44] No. 5.

Sir P. Loraine to Sir John Simon.—(*Received January* 10, 1935.)

(No. 625.)
Sir, *Angora, December* 29, 1934.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 410 of the 31st August to you, regarding the Constantinople Quay Company, to inform you that representatives of the Turkish Government and of the company signed, on the 18th December, an agreement providing for the repurchase of the company's rights and property by the Government.

2. I enclose herein a copy of this agreement.(1) It provides for the cession by the company to the Turkish Government, as from the 1st January, 1935, of all the company's concessionary rights, interests, liabilities, and immovable and movable property (excepting cash in hand). In return, the Government gives the company a complete discharge covering all claims against the company, and—

(*a*) Assumes all responsibility for the company's debenture loan, amounting to £T. 570,338.

(*b*) Pays the company 1,400,000 fr. in three annual instalments, from the 1st February, 1935.

(*c*) Pays to the company, on the 1st March, 1935, the balance of an account which is to embrace all sums paid or received, by way of dues, rents, insurance and taxes, &c., previous to the repurchase of the concession by the Government, in respect of the period subsequent to the repurchase. An advance payment of £T. 200,000, made in December 1934, is to be brought into the above account.

(1) Not printed.

(*d*) Pays to the company an annuity of 2,800,000 fr. for forty years from the 1st January, 1935, with the option, after 1943, of paying off the capital sum then due in one payment, or of converting all or part of the balance then due.

3. The agreement is subject to ratification by the shareholders of the company and by the Grand National Assembly of Turkey. It was submitted to the Grand National Assembly and ratified by that body on the 23rd December. The Bill for ratification was introduced by Ali Çetin Kaya, Minister of Public Works, who traced the history of the concession, granted in 1890, for eighty-five years, laying stress on the fact that the company had not carried out its obligations or engagements either before or after the war, and emphasising the fact that the Government, on deciding to repurchase, might have had to pay up to £T. 500,000 a year (6 million francs) for the remainder of the life of the concession (forty years), whereas they were now to pay about half that amount.

4. The Minister of Public Works was followed by Saracoğlu Sükrü, Minister of Justice, who negotiated and signed the agreement on behalf of the Turkish Government. He gave additional details of the history of the concession, mentioning that half the capital of the company had been supplied by the Bank of England, and the remainder by the Ottoman Bank, and that the differences between the company and the Turkish Government in the first ten years of the concession had led to the occupation of Mitylene by the French fleet—a fact which, he said, left painful memories in Turkey and was largely responsible for the company's subsequent lack of success. He went on to say that the company had acquired or built a great deal of private property—distinct from its concessionary holding—bringing in a rental of £T. 150,000 (about 1,800,000 fr.) a year, and that the company's revenues during the past five years had averaged £T. 700,000 (about 8,500,000 fr.), of which £T. 200,000 (about 2,500,000 fr.) was private revenue. He traced the history of the negotiations for the repurchase of the concession, which had terminated, in a very warm and friendly atmosphere, by the cession to Turkey of all the concessionary and private holdings of the company for 34 million francs and £T. 570,000, which would be paid off by yearly instalments of £T. 230,000 (about 2,500,000 fr.).

5. The Minister of Justice ended by emphasising the fact that the Grand National Assembly was ardently pursuing its policy of nationalising all public services; that this policy would very soon show abundant profits and that the Constantinople quays would soon be equipped with the most up-to-date improvements. He anticipated with confidence that the Grand National Assembly would ratify the newly-signed agreement, which was so advantageous to the nation and which would bring it good fortune. The Grand National Assembly then passed, amid cheers, the Bill ratifying the agreement.

6. The glorious future now anticipated by the Government might equally have been anticipated by the company, if it could have been assured of being exempt from Government persecution. It has undoubtedly been harassed and vilified in every way by the Government, who were anxious to drive the company to sell out on the Government's terms. The transaction will, nevertheless, I have no doubt, be recorded in the annals of the Turkish Republic as one reached by friendly negotiation which culminated in a mutually satisfactory settlement. The process of satisfying national aspirations is a costly one. It becomes rather tidier when a virtual spoliation is wrapped up in a legalised settlement

I have, &c.
PERCY LORAINE.

[E 158/158/44] No. 6.

Sir P. Loraine to Sir John Simon.—(*Received January* 8, 1935.)

(No. 626.)
Sir, *Angora, December* 31, 1934.

I HAVE the honour, with reference to my despatch No. 551 of the 15th November and to my Chancery's letter of the 24th November, to inform you that the Fourth Grand National Assembly, which had previously voted in favour of new legislative elections, terminated its labours on the 23rd December.

2. In his speech announcing the dissolution, General Kâzim Özalp, President of the Fourth Assembly, reviewed the work which it had accomplished since its first meeting on the 4th May, 1931. It had held 287 sessions, promulgated 801 laws and 33 interpretations of laws and adopted 207 resolutions. Outstanding in its work had been measures bearing directly on national reconstruction, economic, social and political. The industrialisation of Turkey and the nationalisation of railways, docks and allied public services had greatly reinforced the independence of the republic. While, in the cause of peace, Turkey had entered the League of Nations and had concluded the Balkan Pact, the strengthening of the Turkish army had not been neglected. Passing to social measures, General Özalp laid stress on the purification of the language, the law on family names, the ban on religious garb and the granting of the vote to women. He thanked the Assembly for having elected him as president at each of its sessions and concluded his speech with a tribute to Atatürk, the inspiration of all their labours.

3. The semi-official *Ulus* states that the Assembly will remain in recess until the 1st March, 1935, the date fixed for the opening of the Fifth Assembly.

I have, &c.
PERCY LORAINE.

[E 233/233/44] No. 7.

Sir P. Loraine to Sir John Simon.—(Received January 10.)

(No. 5. Confidential.)

Sir, *Angora, January 1, 1935.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 3, Confidential, of the 1st January, 1934, to transmit to you herewith the annual report on the heads of missions in Turkey in 1934.

2. The passages enclosed in brackets have been taken from previous reports.

I have, &c.
PERCY LORAINE.

Enclosure in No. 7.

Report on Heads of Foreign Missions.

AMBASSADORS.

Afghanistan.

SULTAN AHMED KHAN presented his credentials on the 28th March, 1931. He has already risen to the position of dean of the Diplomatic Body, replacing the former Soviet Ambassador in that capacity when the latter was transferred to Berlin in the summer of 1934.

Of Sultan Ahmed Khan's diplomatic abilities it is difficult to judge; but he seems to be thoroughly *persona grata* to the Turks, whose language he speaks, and he shows himself most friendly and amiable to all with whom he comes in contact. He is a pleasant colleague and, I should say, a convinced anglophil both in his personal and political outlook.

He is married, but his wife very seldom appears in non-Moslem society and possesses no language but her own, though she is credited with an effort to learn French. Since the Ambassador's assumption of the decanate, the principal diplomatic lady on public occasions or entertainments has, thanks to the retiring disposition of the Afghan Ambassadress, been the Persian Ambassadress

Persia.

Mirza Sadik Khan Sadiki, formerly known as Mustashar-ed-Dowleh, having likewise presented his credentials as Ambassador on the 28th March, 1931, is thus coeval and, so far as can as yet be seen, coeternal with his Afghan neighbour.

He is a retiring but pleasant colleague and I have found him friendly and helpful. I used to know him in Persia, but I think that even apart from that consideration his feelings for England and towards this Embassy are of a genuinely friendly character.

He speaks French and Turkish fluently, and possesses a dignity of manner which his minute stature would hardly lead one to expect. He likewise is *persona grata* to the Turks, and he has made himself a very creditable position here.

Sadik Khan inhabits an enormous Embassy, the road approach to which was at last constructed in the spring of 1934 in preparation for the State visit to Angora of Reza Shah Pahlavi. The visit of that imperious monarch must have been a great ordeal for his Ambassador, but Sadik Khan emerged from it triumphantly, with apparently unruffled serenity, albeit with a severe shortage of sleep. To have successfully weathered such an occasion argues the possession by the Ambassador of a rare degree of tact and discretion. I judge Sadik Khan to be one of the best of Persia's representatives abroad.

Mme. Sadik Khan is an elderly lady, speaking only Persian and Turkish, lacking in good looks, but with a simple and agreeable nature. They have three daughters, all rather plain, who know some French and are seeking to acquire English.

Poland.

Count George Potocki presented his credentials as Ambassador on the 14th June, 1933. I have known him now for nearly twenty years and when we first became acquainted he was a mere youth. He is very English in his sympathies and indeed in his appearance also; is fond of outdoor sports and a good horseman. He comes of the best Polish stock, and his tastes are those of the country more than of the town. He and his Spanish Basque wife are certainly the greatest social asset in the diplomatic world of Angora. They entertain hospitably, agreeably and without ostentation.

I do not reckon Count Potocki's brain power or general knowledge very high; but this disadvantage is largely set-off by his excellent breeding, his charm of manner and a certain native shrewdness. He is a good type of Polish representative and everyone here likes him.

The Polish Embassy is in Angora. It is a large, well-situated house, built almost entirely of materials sent from Poland. There is no house in Constantinople, but the Ambassador has a summer villa at his disposal on the Bosphorus.

United States of America.

Mr. Robert P. Skinner presented his credentials as Ambassador on the 16th October, 1933. He began life as a newspaper publisher and editor, and entered the United States foreign service some thirty-seven years ago. During most, if not all the period of the war, he was United States consul-general in London and by no means left the impression that he shared the anglophilism of the then United States Ambassador, Mr. Walter Page. He was my American colleague in Athens between 1926 and 1929 and on several occasions I detected signs of anti-British bias during that period. Mr. Skinner left Athens after I did and was sent as Minister to the Baltic States for the particular purpose, as he has since informed me, of making all necessary preparations against the moment when the United States of America should re-establish diplomatic relations with the U.S.S.R. and despatch an envoy to Moscow; a task which he found both interesting and congenial.

Since renewing my acquaintance with Mr. Skinner at this post, I have found him distinctly friendly, both personally and officially, anxious to co-operate on minor matters and with a view greatly broadened with respect to the community of interests that bind England and America together; his personality seems to have mellowed, and his judgment to have ripened.

The American Ambassadress, though not immune from the social foibles that characterise many of her countrywomen, is an agreeable and on the whole a kind-hearted lady.

France.

M. Fréderic Albert Kammerer presented his credentials as Ambassador on the 17th October, 1933, having been transferred from the French Embassy in Rio de Janeiro.

Both M. Kammerer and his wife are Protestants. He is small of stature and not of imposing appearance. He has a well-stocked mind and is a diplomatist of ripe experience; but I am not quite sure that his judgment is on a level with his ability. He has held diplomatic appointments in the Far East and for a number of years he was one of M. Philippe Berthelot's personal assistants in the Quai d'Orsay. He will be well known to Sir Robert Vansittart with whom he collaborated in fixing the frontier between Palestine and Syria. With Signor Carlo Galli, shortly expected here from Belgrade to take over the Italian Embassy, he also collaborated closely in Paris during the immediate post-war years in squaring up a number of French and Italian interests left at issue as a result of the war and the treaties. M. Kammerer has more than once expressed to me his regret that the settlements then reached with Italy, and accepted not only as satisfactory, but also as conclusive, by the then Italian Government has since proved to be far from satisfying to their Fascist successors.

I have established friendly personal relations and find that a periodic exchange of views is useful, instructive and welcome. He is first and foremost a Frenchman, but he believes strongly in the community of the basic interests of France and the United Kingdom, and professes, I think genuinely, an admiration for England. He has a broader knowledge and a broader view of large international issues than is common to foreign representatives, and this is no doubt the fruit of his collaboration with the late M. Berthelot.

Mme. Kammerer is a pleasant and unexacting lady. They have a son, who stays in Paris, and two unmarried daughters, one of whom is a first-rate pianist.

Germany.

Herr F. H. von Rosenberg presented his credentials as Ambassador on the 11th December, 1933, having been transferred from the German Legation at Stockholm. He was at one time, for about a year, German Minister for Foreign Affairs. Both he and Frau von Rosenberg speak English well and fluently, and Herr von Rosenberg had an English mother; he objects, however, to being called half-English.

Herr von Rosenberg and his wife are pleasant and friendly enough, and are regular attendants at the social gatherings of Angora. One unmarried daughter usually stays with them.

I should take Herr Rosenberg to be a well-instructed man, an experienced diplomatist and, for a German official, tolerably liberal-minded. I have the impression, however, that the shadow of the Führer hangs heavily over the Ambassador's acts and words, and not improbably cramps his style.

Russia.

M. L. M .Karakhan, fully accredited Ambassador, presented his credentials on the 23rd October, 1934.

M. Karakhan is said to be of Armenian origin and his appearance does not necessarily belie the suggestion. He is a well set-up man, neatly dressed and has the reputation, maybe not unjustified, of being a veritable Beau Nash among the Commissars of the Soviet Union. He is, furthermore, credited with tastes for athletic pursuits and for the chase, which I believe are uncommon among his present-day compatriots.

His career will be familiar to the Foreign Office, especially the rather sinister rôle that he played during his diplomatic mission to China. It is said that M. Litvinov fears him as a rival, and rumour has it this consideration weighed with M. Litvinov when securing M. Karakhan's appointment to a tolerably distant post.

Except for an exchange of formal visits, during which M. Karakhan's manner was neither distant nor hostile, I have had little opportunity of gauging the new Ambassador's diplomatic abilities. The Turks appear to pay him no less attention than they did to his predecessor, M. Souritz, who was transferred to the Soviet Embassy in Berlin during the summer.

There is a report abroad that M. Karakhan has been entrusted by his Government with the task of rather rough-handling the Turks in order to make them espouse more closely than hitherto the policies and ideologies of the Soviet régime, the suggestion being that M. Souritz had been too affable and easy-going. If this is true, I do not think M. Karakhan will have an especially easy job. Time alone will show whether the report has any foundation.

MINISTERS.

Switzerland.

(M. Henri Martin has been raised to the rank of Minister, and presented his credentials on the 11th November, 1928.

While in Angora M. Martin is invaluable for obtaining information on points of detail, and prides himself on the number of despatches which he writes to Berne. At Constantinople he is driven to circularise his colleagues; while on leave he breeds dogs in England. M. Martin would like to be taken for an Englishman. 1928.)

Egypt.

(Abdel Malek Hamza Bey, fully accredited Minister, presented his credentials on the 8th October, 1930. He was counsellor of the Egyptian Legation in London in 1929, and has been described by His Majesty's High Commissioner at Cairo as a leading lawyer and a clever and active young man, who, from extreme nationalism, has been converted to reasonable views, largely by contact, with English people. He is extremely friendly, and speaks quite good English, but very little Turkish. Is apparently unmarried. 1930.)

(Hamza Bey acquired very unwelcome notoriety in consequence of the Gazi's ordering him to remove his fez, which formed part of his uniform, after the official banquet on the evening of the 29th October, the Feast of the Republic. He naturally reported the incident to his Government, which sent the Turks a mildly-worded note asking for guarantees for the future. This raised a storm of Turkish denial and indignation, both official and journalistic, and the unoffending, unassuming and much-liked Minister is now under a cloud, and much upset by it all. 1932.) (Although the incident was officially "closed" early in 1933, Hamza Bey has been very little in Angora since it occurred, and has been living in Constantinople when not on leave. 1933.)

I can confirm my predecessor's attribution to Hamza Bey of friendly feelings towards England. He much appreciated the pacifying influence exerted by England during the "fez" incident. He now seems to have resumed regular residence in Turkey.

Norway.

(M. Sigurd Bentzon, fully accredited Minister, presented his letters of credence on the 8th October, 1930, the first Norwegian Minister to be accredited to Turkey. He is tall and distinguished looking, speaks perfect English, and has a charming and vivacious English wife, who more than holds her own with the younger women of the Diplomatic Corps, both for looks and general attractiveness. 1931.)

I rather suspect M. Bentzon of being a *faux bonhomme*. As he principally graduated in the diplomatic school of Baron von Wedel-Jarlsberg in Paris, this is not unlikely.

Finland.

M. Onni Talas, fully accredited Minister, presented his letters of credence on the 17th October, 1934. He is also accredited to Budapest, Belgrade and Sofia, and has so far made only one short appearance in Angora.

From the little I have seen of him, I have found him elderly, agreeable, and friendly.

Belgium.

M. Georges de Raymond presented his credentials as Minister on the 20th March, 1932. He is virtually a widower, his wife, a well-bred and agreeable French lady, whom I knew in Persia, being a permanent invalid of the mental category.

M. de Raymond was Belgian Minister for a number of years in Tehran, and was my colleague there. He has spent the interval as Belgian Minister in Prague. He has a certain degree of ability, but does not have the faculty of inspiring confidence. His vice is talking. Conversation flows from him in an interminable spate, and one so unpunctuated that he is the most difficult man to separate from that I have ever met.

He certainly has plenty of experience, and I should judge him to be a good representative of his country's interests. I, nevertheless, rather doubt his being given any of the most important posts in the Belgian service.

Lithuania.

(M. Jurgis Baltrusaitis, fully accredited Minister, presented his credentials on the 20th May, 1932. He left almost immediately, and has not since reappeared in Turkey, where he has no Legation and practically no interests. He is also Lithuanian Minister in Moscow. 1932.)

(M. Baltrusaitis came to Turkey from Moscow in 1933 for the celebrations in connexion with the tenth anniversary of the republic. He travelled here with the delegation representing the U.S.S.R. at the celebrations and returned with it. He did not remain long enough at Angora to become generally known, but was communicative and friendly to His Majesty's Embassy. 1933.)

Yugoslavia.

(M. Miroslav Yankovitch, fully accredited Minister, presented his credentials on the 25th October, 1932. His appearance is distinctly in his favour, and, as his Government has recently acquired a more suitable house in Angora, he is likely to live less in Constantinople than his predecessor. He is married. 1932.)

(M. Yankovitch is now definitely established at Angora. He and his Viennese wife are pleasant, and entertain a good deal, in spite of rather inadequate accommodation. 1933.)

Greece.

(M. Constantine Sakellaropoulo, fully accredited Minister, presented his credentials on the 14th January, 1933. He was formerly consul-general at Constantinople, and, previously to his present appointment, was in charge of Turkish affairs in the Foreign Ministry at Athens. He is small, reserved, rather deaf and unassuming. It is therefore difficult for him to represent his country so well as his predecessor, the jovial and popular M. Polychroniadis. Both he and his vivacious English-speaking wife are delicate and not much given to entertaining, but can entertain very agreeably when the spirit moves them. 1933.)

Albania.

(M. Djavid Leskoviku, fully accredited Minister, presented his credentials on the 14th May, 1933. He received a military education in Constantinople, served in the Turkish army during the Balkan War, was Albanian Chief of Staff in 1923, and, later, military attaché in Belgrade and consul-general at Skoplje. Since his appointment as first Albanian Minister to Turkey, since the Gazi's recognition of King Zog, he has resided for the most part in Constantinople, and has been very little seen in Angora society. 1933.)

The Albanian Legation at Angora was abolished as a separate post in March 1934, when M. Leskoviku left for Athens to take up his residence as Minister there. He is still in charge of Albanian interests in Turkey.

Austria.

(M. Karl Buchberger, fully accredited Minister, presented his credentials on the 17th October, 1933. He was previously Chargé d'Affaires at Stockholm. He and his Swedish wife are friendly and already generally liked. Both speak English, Mme. Buchberger less well than her husband. 1933.)

Mexico.

(Sr. Genaro Estrada, fully accredited Minister, presented his credentials on the 17th October, 1933. He is also Mexican Ambassador in Madrid, and the first Mexican Minister to be appointed to the Turkish Republic. He left the country almost immediately after presenting his credentials, and I had no opportunity of making his acquaintance. 1933.)

Hungary.

Dr. Michel Jungerth-Arnóthy, fully accredited Minister, presented his letters of credence on the 9th January, 1934. He has since been appointed Minister to Moscow, and is expected to leave for his new post in the near future.

Dr. Jungerth-Arnóthy has had some heartburnings about the espousal by the Turks of Yugoslavia's side in her complaints against Hungary as regards the harbouring and abetting of terrorist organisations on Hungarian soil. He seems a very decent sort of man, and his wife is a lady of appreciable charm and social talent.

Denmark.

M. Axel Norgaard, fully accredited Minister, presented his credentials on the 24th March, 1934.

He is a pleasant, elderly gentleman, lacking, I should say, either in ambition or intellectual endowment.

Iraq.

Naji Beg, Shawkat (known in Turkey as Naci Şevket Bey), fully accredited Minister, presented his letters of credence on the 2nd June, 1934. He was previously Iraqi Minister at Angora from October 1930 to October 1931, when he returned to Bagdad to become Prime Minister for a few months and also Minister of the Interior.

Naji Shawkat was previously Mutesarrif of Mosul, and had the reputation in Iraq of being an extreme Nationalist with anti-British tendencies. He has shown no sign of them, however, in recent years, and has acquired a reputation for administrative ability and integrity. Unfortunately, relations with him are difficult, as he is very retiring, almost stone deaf, and knows no European language. His wife, who is equally retiring, now speaks a little French.

Sweden.

M. Otto Wilhelm Winther, fully accredited Minister, presented his letters of credence on the 22nd November, 1934.

I have had no opportunity of assessing M. Winther's abilities. He and his wife appear to be pleasant, straightforward, simple-living people.

Chargés d'Affaires.

Spain.

(Sr. Ricardo Begona y Calderón presented on the 30th May, 1933, the letter nominating him Chargé d'Affaires of Spain in Turkey. He has made an effort to spend more time in Angora than his predecessors, but is a somewhat colourless individual, who has made little impression in any milieu in this country. 1933.)

Netherlands.

(The Legation has been in charge of Baron van Harinxma thoe Slooten, as Chargé d'Affaires, since the 31st March, 1933. Both he and his wife are agreeable and speak English well. They have acquired a residence in Angora close to His Majesty's Embassy. It is understood that, for reasons of economy, the Netherlands Government do not propose to appoint another Minister. - 1933.)

Czechoslovakia.

Since the end of January 1934 the Legation has been in charge of Dr. Milos Hanàk, counsellor of Legation, as Chargé d'Affaires *ad interim*. He was until a year ago consul-general at Constantinople.

Bulgaria.

M. Antonoff left Turkey at the end of August 1934 to become Bulgarian delegate to the League of Nations, and pending the appointment of a new Minister the Legation is in charge of the first secretary, M. Christo Mincoff.

Roumania.

M. E. Ciuntu, fully accredited Minister, presented his credentials on the 26th February, 1934, but left at the end of September to take up the appointment of first Roumanian Minister to Soviet Russia. The Legation has since been in charge of M. Constantin Eliad, the first secretary.

Italy.

Signor Lojacono left Turkey, on transfer to China, at the end of November 1934, and pending the arrival of the new Ambassador, Signor Galli, hitherto Minister at Belgrade, the Embassy is in charge of the counsellor, Baron Giovanni di Giura.

Baron di Giura's personality seems to be resented by Turks and foreigners alike in this capital. I do not dissociate myself from either.

Japan.

The Ambassador, Viscount Mushakoji, left Angora in December on transfer to Berlin, and the Embassy is at present in charge of the first secretary, M. Jiro Kurosawa, who is practically unknown to myself and the members of my staff.

Vatican.

Mgr. Margotti left Constantinople for Italy at the end of August, having been appointed to the residential metropolitan see of Gorizia and Gradisca. Pending the arrival of his successor, Mgr. Roncalli, who is being transferred from Sofia, the Apostolic delegation is in charge of Mgr. Angelo dell'Acqua.

Brazil.

Dr. Pedro Franklin d'Almeida Lima presented his letters as Chargé d'Affaires on the 29th May, 1934, but the Brazilian Legation in Turkey was closed in September, and Brazilian interests are now in charge of the Minister at Bucharest.

[E 234/234/44] No. 8.

Sir P. Loraine to Sir John Simon.—(Received January 10.)

(No. 7. Confidential.)

Sir, *Angora, January* 1, 1935.

I HAVE the honour, with reference to your circular despatch of the 31st March, 1933, to transmit to you a revised list of personalities which the past year has rendered necessary.

2. The recent abolition of the appellations of "Pasha," "Bey," &c., has necessitated numerous alterations both in the headings of the biographies and in such parts of the text as refer to the present time. Where the past is referred to "Pasha" and "Bey" have generally been retained.

3. The legal obligation, which will shortly be enforced, to adopt a family name will sooner or later call for the rearranging of the biographies according to the alphabetical order of the surnames selected and duly approved. Since, however, family names have so far been adopted, or at least made public, by a minority only of the notabilities with whom we are here concerned—and even then, it would seem, only tentatively in some cases—no alteration in the existing alphabetical order of the names is practicable for the present. In each case the new family name, if ascertained, has been placed, in italics and in brackets, after the name or names by which the subject of the biography is still commonly known.

4. Three of the biographies for the year 1933 have been omitted from the present list, namely, those of Kemalettin Sami Pasha, Ambassador at Berlin, Muhtar Bey, Ambassador at Washington, and Reşit Galip Bey, ex-Minister of Public Instruction, whose deaths occurred during the past year. On the other hand, three new biographies have been included, those of Abidin (*Özmen*), the present Minister of Education, General Kâzim (*Sevüktekin*), Deputy for Diarbekir, and Yakup Kadri, Minister at Tirana.

I have, &c.
PERCY LORAINE.

Enclosure in No. 8.

Notes on Leading Turkish Personalities.

1. *Abdulhalik, Mustafa.*

BORN at Yanina about 1870. Belongs to a family of Albanian Tosks. Educated at Yanina and at Mülkiye College, Constantinople. In 1908 appointed member of the Council of State. Uncle by marriage of the late Talat Pasha. In 1910–11, Vali of Skoplje (Üsküp). 1914–15, Vali of Van. For a short period in 1915 was Under-Secretary for the Interior. 1915–16, Vali of Bitlis, and 1916–17 of Aleppo. Again became Under-Secretary of the Interior, holding post until the armistice. Arrested in May 1920 and deported to Malta on charge of

atrocities committed at Aleppo during the war. Learnt to play tennis and bridge at Malta. In 1923 was Vali of Smyrna, when he got on well with Europeans. In July elected Deputy for Çankiri. In January 1924 succeeded Hasan Fehmi Bey as Minister of Finance, and held post till March 1925. Resigned on fall of Fethi Bey and became director-general of the Agricultural Bank and chairman of the Parliamentary Committee of Finance. In July 1926 became Minister of Finance. He soon showed himself aware of the weakness of Turkey's financial position abroad, and visited Europe in the summer of 1927, when he was identified with an arrangement for the settlement of the "coupons" question. In September he was re-elected Deputy for Çankiri, and in November, on the reconstruction of Ismet Pasha's Cabinet, became Minister of National Defence and Acting Minister of Marine. The latter post was subsequently merged in the former, which he retained in Ismet Pasha's Cabinet as reconstructed in September 1930. Succeeded Saracoğlu Şükrü Bey as Minister of Finance in December 1930, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned, February 1934, on account of ill-health, and in April was elected president of Parliamentary Group of People's party.

Abdulhalik Bey knows Greek and speaks fair French. He owed his early advancement to his relationship with Talat Pasha, though he was never a prominent Unionist figure. Though not possessed of brilliance, he has considerable administrative capacity, and enjoys a reputation for scrupulous honesty —a virtue which was as acceptable at the Ministry of Finance as in that of Defence, where peculation in connexion with munitions contracts had previously been rampant. Is essentially a moderate, and was the only member of the Cabinet to observe the Ramazan fast. Is a keen gardener, a good bridge player and agreeable in conversation. Was much liked by representatives of foreign business firms seeking contracts. Has been living very much in retirement, on account of continued bad health, since his resignation as Minister of Finance.

1A. *Abidin (Özmen).*

Graduated from the Mülkiye (Civil) School in 1911, and was for many years Civil Inspector and Vali at various places, including Antalya. Appointed Vali of Brusa in June 1933. Elected Deputy for Aydin in May 1934, and appointed Minister of Public Instruction (now called "Kültür") in July. Later, on adopting a surname as required by law, dropped the first two syllables of his name, which was previously Zeynelabidin.

Practically nothing is known of Abidin's personality, except that he is very retiring. He is still quite unknown to Angora society.

2. *Ahmet, Ağaoğlu.*

Born about 1864 in Russian Azerbaijan. Son of an Islamised Caucasian Jew. Educated at Moscow, and started life as a journalist. Became an *agent provocateur* to the Russian Secret Service, and organised Armenian massacres at Baku in 1904. In 1903–5 published two newspapers in Baku, but then fell into disgrace; went to Turkey and became a Turkish subject in 1908. Threw in his lot with the Committee of Union and Progress. Later, published a pro-Russian paper in Turkish, and became editor of the *Tercumani Hakikat*. In 1916 became Minister of Education, and at this time was noted for his anti-British articles. Took a part in organising the Armenian massacres. In 1918 received £T. 100,000 from the Committee of Union and Progress funds. 1919–21 interned at Malta, where he learnt some English. In June 1921 he became director of the Press Bureau at Angora, and from then onwards was a close friend of Mustafa Kemal. Was, in the past, the chief worker for closer Russo-Turkish relations, often by means of editorial articles in the officially-inspired *Hakimiyeti Milliye* of which he was one of the editors.

In the 1923–27 Assembly he was a member of the Executive Bureau of the People's party and of the Foreign Affairs Commission, as well as reporter of the Constitutional Commission. Was re-elected Deputy for Kars in September 1927 and in November became a member of the party's Executive Bureau and of the Constitutional Commission. Resigned from the People's party in August 1930 to join the new Liberal Republican party founded by Fethi Bey. Was not re-elected at the general election of April 1931, and in October was appointed professor (history of law) in the University of Constantinople, whither he removed with his family from Angora.

Ağaoğlu is a short man with heavy eyebrows and dark glasses. He recalls the storied one-eyed mule of hideous aspect, but that aspect is benignant, and in his riper years tends to belie the lurid record of his youth. He was the "character" of the Grand National Assembly, and loves nothing so well as a joke, even at his own expense. He was seen occasionally in Angora society accompanied by his blue-stocking, English-speaking daughters, who are no more attractive in appearance than their father. Speaks Russian, French, Persian and Turkish. Since the summer of 1926 his articles had become less hostile to Great Britain, and, in conversation, he delights to expatiate on the charm of English life, particularly as led at Oxford.

3. *Ali* (*Ceytinkaya*).

Born about 1875 at Afyon Karahisar. Educated at the Constantinople Military School. Commanded a battalion at Çatalca during the Balkan war, and served in the Great War as a colonel. Organised resistance to the Greeks at Ayvalik in 1919. Was elected a Deputy for Constantinople in December, and remained there to attend the debates till March 1920, when he was deported to Malta. Released a year later, he at once took his seat in the Angora Assembly. After his re-election in 1923 he became one of the chief organisers of the People's party, and in November 1924 was elected vice-president of the executive bureau of the party, a position which he still fills. In March 1925 he was appointed president of the Angora Independence Tribunal; soon afterwards shot with impunity a fellow Deputy in the Chamber, and unconcernedly passed death sentences till the Independence Tribunals were abolished early in 1927. 1925–27 was president of the Defence Commission of the Assembly, and in November 1927, on his re-election as Deputy for Afyon Karahisar, became a member of the Budget Commission. Appointed Minister of Public Works, February 1934.

Ali, known as the "bald-headed," is a curious phenomenon, for, in spite of his record, he is attractive. Until recently only spoke Turkish, but for some years has been studying English, which he speaks haltingly, but reads with a certain facility. He has an engaging smile, and was once very aptly described by a British visitor to Angora as resembling "a benevolent Scotch elder." During the summer of 1927 rumour was busy with his name as a possible successor to Ismet Pasha. It is doubtful if he could have filled the bill, though his surprising honesty could not have failed to be an asset. He is not a conversationalist. As Minister of Public Works has taken up truculent attitude towards foreign concessionary companies, which he has been endeavouring, with considerable success, to force to sell out on terms favourable to the Government.

4. *Ali Cenani.*

Born about 1880 at Ayintap (Gazi Antep), which he represented in the Constantinople Parliament, being for a time reporter for the budget. Was deported to Malta in 1919 on a charge of complicity in the massacres of Armenians at Ayintap. On being released he joined the Kemalist movement, and has been Deputy for Ayintap since 1921. In November 1924 became Minister of Commerce. In 1925 his commercial legislation showed that he was leading the ultra-Nationalist movement against Christian employees and foreign capital. In May 1926 he resigned owing to reported differences with the Minister of Finance. He nevertheless continued to the influential, and for two years was the chief Turkish delegate for commercial negotiations with foreign countries, being responsible in particular for the Turco-Russian Commercial Treaty of March 1927. Became reporter of the Budget Commission in November 1927, but fell from grace early in 1928, when he was tried by the High Court for a misuse of public funds while Minister of Commerce. Was heavily fined, but his sentence of imprisonment was commuted. After reappearing in influential circles, left Turkey for Damascus in mysterious circumstances in December 1929. Though reported to owe £T. 100,000 to the Turkish Government, he once more reappeared at Angora, where his past seemed in a fair way to being forgotten, but he was not re-elected at the general election of April 1931.

Ali Cenani was for long the leading business man in the Ayintap area, and in business circles was considered honest and go-ahead. Much of his property is now in Syria, and he has frittered away most of his considerable wealth. He is a poor speaker, of jaundiced appearance, and has been described as active, resourceful and wily. He plays a vigorous, but not very good, game of

bridge. His two daughters have received an American college education, and his son, who is in the diplomatic service, was educated at the English High School in Constantinople.

5. *Ali Fuat, General.*

Born in Constantinople in 1882. Grandson of the renegade German who was Turkish delegate at Berlin Congress. Graduated from the military school in 1905. 1908–11, military attaché at Rome. During the war fought on the Caucasus and Palestine fronts. Was one of the first Turkish generals to join the Kemalist movement, and was one of Mustafa Kemal's most trusted leaders until his tendency to take an independent line in the field led, late in 1920, to his appointment as Kemalist Ambassador at Moscow, where he was chiefly instrumental in securing the signature of the Turco-Russian Treaty of March 1921. Was recalled in April 1922 owing to an incident in the Embassy in Moscow, and resumed his military command. In 1923 was elected Deputy for Angora and Vice-President of the Assembly. Later became inspector-general at Konya, but resigned his post in October 1924, by which time he had become completely associated with the Rauf–Adnan–Refet Opposition group. In November he resigned from the People's party and became secretary-general of the new Progressive party. In 1926 was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted. His reception by the President in November 1926, and again early in 1927, gave rise to a rumour that Ali Fuat was returning to the Kemalist fold, but this was not confirmed, and he ceased to be a Deputy in September 1927. Lived in retirement until June 1933, when he stood as independent candidate for Konya, with the Gazi's full approval, and was unanimously elected Deputy, Ismet Pasha having issued a manifesto to the electors praising Ali Fuat for services rendered to the national cause, and declared he had "followed the same path as the Gazi." Since re-election has taken little or no part in parliamentary life.

General Ali Fuat has a reputation for honesty. During the war was not on good terms with the German commanders, and during the armistice period was believed to be violently anti-British, but he was on good terms with the British mission in Moscow.

6. *Ali Sait, General.*

Born near Bandirma (Panderma) in 1874, of Circassian origin. Graduated from the Military College in 1898, and held several minor staff appointments till 1907, when, with the rank of major, he was sent to the Yemen. Returned to Constantinople in 1909, and in 1913, during the Balkan war, was in charge of the lines of communication. Was then for a time control officer on the Anatolian Railway until January 1914, when he was promoted colonel and posted to Sanaa, in the Yemen, where he remained until some time after the 1918 armistice, when he was finally induced to surrender to the British authorities at Aden, whom he had fought for four years, during most of which he was out of touch with his Government. Interned in Egypt for a short time, Ali Sait Pasha, who had now been promoted general, returned to Constantinople early in 1919 and was Military Governor of the capital till March 1920, when, on the occupation of the town, he was deported to Malta. Immediately after his release in October 1921 he joined Mustafa Kemal, and in the following year he succeeded Kâzim Karabekir Pasha as General Officer Commanding the Eastern Army. In October 1924 he was appointed Inspector-General of the First Army Area, and still holds this post. Was promoted to be a general of the first class in August 1927.

General Ali Sait is pleasant, courteous and has a well-modulated voice. Was probably at one time decidedly pro-British, and still is, as he says, "in the interests of his country," but he chooses to forget rather than to forgive his treatment at British hands. Not a strong personality and takes no part in politics, but is interested in Iraq oil to such an extent that on an Angora ball-room floor he produced to a member of the Embassy a largish map, on which the position of his wells was clearly shown. Speaks a little English, a consequence of Malta, where he also learnt to play tennis. Both he and his massive wife used to be very popular in Angora society, but, when the attendance of military officers at social functions was vetoed in March 1928, they transferred their domicile to Constantinople.

7. *Asim, General.*

Born about 1882 in Constantinople. Passed out of Military College in 1902 with rank of staff captain, and was attached to the Imperial Guard. From 1907 to 1909 served on staff of Monastir division. In 1909 appointed to General Staff. Pursued a course of military studies in Germany from 1912 till January 1915, when on his return he was attached to Turkish General Headquarters, remaining there till end of war. Again in Germany 1918–19. In November 1920 became chief of the Intelligence Section of the General Staff, but soon after threw in his lot with the Nationalists and became Chief of Staff to Fevzi Pasha. In November 1924 became General Officer Commanding the IXth Army Corps, in August 1926 was promoted Divisional General and later commanded the 7th Corps. In October 1928 was appointed sub-chief of the Turkish General Staff.

General Asim is a tall, dark man of slight build and has a very pleasant manner. He has the reputation of being hard-working, strict, accurate and given to great financial economy. He got on well with his German superiors during the war, speaks German well, and knows some French.

8. *Behiç.*

Born about 1880. An ex-colonel. In 1924 was chief administrator of the Anatolian Railway, a post in which he showed considerable ability and energy. In December 1925 became a Deputy for Constantinople and a month later Minister of Public Works. As a Minister he was a pronounced success, and showed great capacity in organising the existing railways and in dealing with the somewhat grandiose construction schemes of the Government. Resigned October 1928, nominally on grounds of ill-health, and was immediately afterwards appointed Minister at Budapest.

9. *Cafer Tayar, General.*

Born in 1883 at Prishtina, of poor parents. Educated by the charity of an Albanian, who sent him to the military school. Saw service in Macedonia, and in 1907 became a member of the Committee of Union and Progress. Served at the Dardanelles, and in 1918 had command of the forces in Northern Caucasus. Early in the armistice he showed himself violently anti-British, and formed a military organisation at Adrianople, with which, in 1920, he threatened to resist the occupation of the town by the Greek army. From then onwards was known as the hero of Adrianople, for which, since 1920, he had been the senior Deputy. In 1924 he commanded the troops in the Eastern vilayets, but his enthusiasm for Mustafa Kemal began to cool, and in October he resigned his military duties to take up those of a Deputy. In July 1926, along with Ali Fuat, Refet and Kâzim Karabekir Pashas, was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted, largely, it is understood, owing to the fear of the authorities of his influence with the army. Ceased to be a Deputy in September 1927, and since then has been little heard of. Was sharply attacked in the Gazi's lengthy review of the revolution in 1927.

Cafer Tayar is a strong patriot, just and honest, and, as a result of his Adrianople experiences, is violently Græcophobe.

10. *Celal* (*Bayat*).

Born about 1880. Before the War of Independence was cashier in the Brusa branch of the Deutsche Orient Bank. Joined Mustafa Kemal at an early stage, and served with distinction in the Nationalist Army. In 1923 was elected Deputy for Smyrna, which he has represented ever since, and was appointed Minister of National Economy the same year. In March 1924 became Minister of Reconstruction (for the settlement of refugees) in Ismet Pasha's second Cabinet, but resigned in July to become Director-General of the Iş Bankasi on the recommendation of the Gazi. In August 1928 went on a tour of the Turkish Black Sea ports to study the possibilities of that region and investigate the causes of its poverty. In November 1928 was elected member of the Foreign Affairs Committee of the Grand National Assembly, and again in November 1930. In December 1931 was elected vice-president of the Supreme Economic Council, and in January 1932 accompanied the Minister for Foreign Affairs to Tehran, to study Persian economic conditions with a view to the establishment of a branch of the Iş Bankasi. In September 1932, at the height of the financial and economic crisis, finding his bank's operations hampered by the Government's exaggerated policy of State control of trade and industry, Celal went direct to the Gazi,

with the result that he was appointed Minister of National Economy (a post of much greater importance than in 1923), in succession to Mustafa Şeref, to the great relief of the local business world, but the expectations then raised were not fulfilled, least of all where British trade was concerned. Went to Athens with Numan in May 1933, to negotiate commercial agreement (signed the 9th May) and establish cordial relations with Tsaldaris Government. In June accompanied Tevfik Rüştü to London as "second head" of the Turkish delegation to the Economic Conference. On this occasion visited also Paris and Berlin and negotiated "clearing" agreements with French and German Governments.

Celal, who is married, is of a serious and retiring disposition, and is a hard worker, with, apparently, few if any interests outside his work, which is, at the present time, more absorbing than that of any of his colleagues.

11. *Celal Nuri.*

Born about 1880. A journalist; manager of a Young Turk newspaper in Constantinople in 1906. Expelled shortly after, and only returned after the Constitution, when he began to publish his paper, *Ileri*, which continued to appear till 1925. Was subventioned by the Germans during the war. In the early armistice ran his paper as a Kemalist organ until he was deported to Malta in March 1920. Shortly before, he had been elected Deputy for Gallipoli. Was released in March 1921 and at once took his seat in the Angora Assembly. Has since been a member of the Constitutional Commission of the Assembly, in 1922 being president, reporter in 1923 and secretary in 1930. During the constitutional crisis in March 1924 he was a warm supporter of the proposal to accord dissolution and veto powers to the President of the Republic, but the proposal was defeated. In September 1927 was elected Deputy for Tekirdağ (Rodosto) and in November, while still retaining membership of the Constitutional Commission, became reporter of the Drafts Commission of the Assembly. Re-elected Deputy for Tekirdağ in April 1931. Founded the *Yilmaz* newspaper, but disclaimed responsibility for it when it began attacking the Government in June 1931 and was subsequently closed down.

Celal Nuri is something of an intellectual, clever and an intriguer. He is supposed to have Communist leanings, but was for some time chiefly active in an anti-Greek campaign nominally on behalf of Turkish non-exchangeables.

12. *Cemal Hüsnü.*

Born about 1887. An ex-officer. Was Deputy for Gümüşane 1925–30. 1927–28 was reporter of Assembly Commerce Commission, and became a member of the Foreign Affairs Commission. In March 1928 became chief Turkish delegate for the exchange of populations, and in November of the Foreign Affairs Commission of the Assembly. Appointed Minister of Education in April 1929, and Minister at Berne in September 1930, when he resigned his deputyship. Was member of Turkish delegation to Disarmament Conference in January 1932, and subsequently, and is now head of permanent Turkish delegation at Geneva, where he spends most of his time, while retaining post as Minister at Berne.

Cemal Hüsnü is pleasant to talk to, speaks fair French and plays a fair game of bridge. He is, however, very impetuous, and on several occasions nearly torpedoed the Græco-Turkish negotiations. Is unmarried.

13. *Cemil* (*Uybadun*).

Born about 1885. Has followed a military career. About 1906 was commandant of the garrison at Salonica, and at that time saved Mustafa Kemal from arrest by Abdulhamit's secret police. During the armistice, when he held the rank of staff lieutenant-colonel, was in command of the defence forces against the Greeks at Catalca. In July 1923 elected Deputy for Tekirdağ (Rodosto). In May 1924 appointed general secretary of the People's party, and in January 1925 became Minister of the Interior. Though for a time he did well and exercised considerable influence, his position became weakened early in 1927 owing to alleged irregularities in connexion with Government contracts, and, though re-elected Deputy in September, he ceased to hold ministerial rank on the reconstruction of Ismet Pasha's Cabinet in November 1927. In the same month he became a member of the Foreign Affairs Commission. Re-elected Deputy for Tekirdağ in April 1931. Is one of the two vice-presidents of the People's party and chairman of the Internal Affairs Commission.

Cemil is reserved and intelligent, and speaks only a little French.

14. *Cemil, Professor.*

Born about 1880. Has followed a legal career and specialises in international law, on which he is now the recognised Turkish authority. Was chief adviser to the Turkish delegation before The Hague Tribunal in 1927 in connexion with the "Lotus" incident, in which judgment was given in favour of Turkey. From 1922 to 1924 was one of the chief movers in a Turkish association for supporting the League of Nations, and in October 1924 attended the congress of League of Nations Societies in London. In 1931 was appointed member of the Permanent Conciliation Commission formed in accordance with the arbitration treaty with Germany of 1929. Was also appointed member of The Hague International Permanent Arbitration Court. At the end of 1932 took a leading part in founding the Turkish branch of the League of Nations Union. Appointed rector of Istanbul University in summer of 1934.

Professor Cemil is quiet, reserved and almost entirely absorbed in his studies. His family have received a European education. Is a keen gardener. Somewhat brusque of manner. Speaks French.

15. *Cevat, General.*

Born in Constantinople in 1873. Educated at the Galata Saray School and at the military school. In 1893 aide-de-camp to the Sultan. Later, sent to Germany to complete his military studies, and on his return secured rapid promotion owing to his father's influence at the palace. In 1913 appointed General Officer Commanding the Dardanelles Defences, and was in command of the Palestine army at the time of the Turkish collapse in 1918. In November 1918 became Chief of the General Staff, and in December was Minister for War. Obstructed the Allies during the early armistice, and from the first was one of the strongest and cleverest of the Nationalist supporters in Constantinople. From October 1919 till January 1920 was again Chief of the General Staff. In March 1920 was arrested and deported to Malta. Released in October 1921, he at once proceeded to Angora, and in January 1922 was given the command of the Turkish troops near the Iraq frontier. Elected Deputy in July 1923, he took no part in the proceedings of the Assembly, having in the meantime been appointed Military Inspector-General in the Eastern Provinces. In October 1924 was in supreme command of the Turkish forces on the Iraq frontier when the *status quo* difficulty arose. Later in the month he resigned from his military duties, in order to take up his deputyship. Resigned from the latter two months later. In January 1925 was attached to the Iraq Frontier Commission in the capacity of assessor, and showed himself petulant and irascible. In September and December was attached to the Turkish Mosul delegation to Geneva. In April 1926 became a member of the Supreme Military Council, and in August was promoted to the rank of general of the first class. In November 1930 went to Geneva as military adviser on Turkish delegation to Preparatory Disarmament Conference, and subsequently attended the Disarmament Conference in the same capacity.

General Cevat knows French and German well. Is very Germanophil and something of an opportunist. Has good manners, is well educated and a capable administrator. He is old-fashioned, drinks little and says his prayers, but is stated to be jealous of Mustafa Kemal, who served under him at the Dardanelles.

16. *Cevat Abbas.*

Born about 1890. Early in 1919 became aide-de-camp to Mustafa Kemal, and at the same time was elected Deputy for Bolu. Had control over the activities of the Nationalist secret agents throughout 1920. In July 1921 went on a mission to Bulgaria with a view to organising trouble in Thrace, and in December became unofficial Kemalist representative at Sofia. He returned to Angora early in 1922, and in the autumn was one of the instigators of the Turkish insurrectionist movement in Western Thrace directed against Greek rule. In 1923 was re-elected Deputy for Bolu, and at the end of the year there was much talk and intrigue in regard to his proposed definite appointment as Turkish Minister at Sofia. In 1924 was president of the Turkish Aeroplane Association, in the interest of which he showed great activity. Was re-elected Deputy in September 1927 and April 1931, and since November 1927 has been a member of the Foreign Affairs Commission of the Assembly. In December 1931 became deputy chairman of board of directors of Turkish company exploiting notorious drug factory, since closed down, at Kuzguncuk on the Bosphorus. Maintains close contact with the President of the Republic.

17. *Edip (Tör) (Dağdevirenoğlu).*

Born at Constantinople in 1879. Son of Servet Pasha. Left the military college in 1898. Served with the Salonica army and in Thrace till he entered the Staff College in 1909. In 1911 was attached to the Yanina Regiment, and in 1913 promoted major. Held a staff appointment during the Balkan war, and was on the military staff of the Turkish delegation to the 1913 Peace Conference in London. Later in the year was for a few months chief aide-de-camp to the heir apparent. Served during the Great War at the Dardanelles, in the Caucasus and in Palestine, and in 1917 was director of the Military Press Bureau. In March 1918 was a member of the Turkish mission sent to Roumania to conclude peace. During the armistice was a member of the Armistice Commission and director of Prisoners of War Section, and joined Mustafa Kemal in June 1920. Was afterwards chiefly engaged in arranging the supply of munitions, and in 1922 was for a time member of the Turco-Syrian Frontier Delimitation Commission. In November became Military Commandant of Constantinople and Acting Governor of Pera. In November 1925 became Deputy for Constantinople. In 1926 he represented Turkey at the Islamic Congress at Mecca, and made history by appearing in a bowler hat. In 1927 was a member of the Foreign Affairs Commission, and is now a member of that for Economic Affairs. Elected member for Gümüşane, May 1931. In April 1933 was Turkish delegate to the International Parliamentary Economic Conference at Rome. Is a leading member of the board of the Iş Bankasi and Balya Karaydin Company, and is also grand master of the Angora Lodge of Freemasons.

Edip is short, stout and jovial, with a face like the rising sun. On the rare occasions when, in the early hours, it has approached its zenith, he shows a taste for opera and old Turkish songs, and has a good voice. Though not involved so deeply in politics as are his companions, he is in great favour with the President of the Republic, and influential. Is an intimate friend of Saffet (*q.v.*). While not appearing bright, he is shrewd and sharp, and probably does more hard thinking than any of the coterie. Speaks French, Italian, Russian and German. Is hospitable, with a naïve courtliness of manner and a passion for doing things right and urging his friends to do likewise. Is perhaps the most popular Turk in Angora.

18. *Enis, Mehmet.*

Born about 1887. From 1907 until the Great War was an official of the Ministry of Interior. Became vice-consul at Ancona during the war, and in 1925 was counsellor at Moscow. In 1926 became Director-General of Political Affairs at the Ministry for Foreign Affairs, in October was given the rank of Minister and in November 1927 became Under- Secretary for Foreign Affairs. Appointed Minister at Athens in 1929 and Ambassador at Tehran in the summer of 1934.

Enis is pleasant and capable. In spite of indifferent health, he for some time carried the entire burden of the Foreign Ministry, and was universally liked by all who came in contact with him. Is straightforward and honest. The organisation of the Foreign Ministry out of complete chaos was due almost entirely to him, and his departure was generally regretted by the foreign diplomats at Angora. His wife is attractive.

19. *Ercüment Ekrem.*

Born about 1888, the son of Recai Ercüment Bey, the Turkish poet. Appointed secretary at the Turkish Legation at Athens. Was recalled by Abdulhamit on suspicion of intriguing with disloyal elements. Later appointed to Bucharest. Was Mayor of Pera during the armistice. In 1923–24 was Director of Press in Angora. In March 1924 became private secretary to President of Republic, but fell foul of the President's wife, and in April became Assistant Prefect of Constantinople. Was dismissed in August, and remained unemployed till September 1927, when he again became Director of Press at Angora until appointed (July 1931) counsellor at Warsaw, to act temporarily as Chargé d'Affaires.

Ercüment Ekrem is a short, stout man of a disagreeable type. He is certainly clever, but not at all to be trusted. Speaks fair English.

20. *Esat*.

Born in Verria (Macedonia) in 1874. Educated in the Harbiye School and graduated in 1894. Gazetted to the Vth Army (Syria). In 1898 entered the Harbiye (Military) School, where he occupied different functions for twelve years. After the proclamation of the Constitution he proceeded to Germany in order to complete his studies. In the last phase of the Balkan war he was commander of the 93rd Regiment, and during the Great War commander of the 26th Division. He was pensioned at his own request when he was colonel and president of the military section (Harbiye Dairesi). Became afterwards chairman of the board of directors of a commercial venture, the Ordu Donanma Pazari (Army and Navy Stores), administrative counsellor of the telephone company, member of the Constantinople Municipal Assembly, and was elected Deputy for Brusa. He knows three foreign languages, and has occupied himself for many years with the study of pedagogy. Appointed Minister of Education in Ismet Pasha's Cabinet, September 1930, and retained the post in Ismet Pasha's new Cabinet, May 1931. Resigned September 1932 to make way for the more active and zealous Reşit Galip Bey (since deceased), and was soon after elected a Vice-President of the Grand National Assembly.

21. *Fahrettin* (*Türkhan*), *General*.

Born at Constantinople in 1881. Educated at the military school, where he was a class-mate of Enver Pasha. 1909 in command of troops against the Kurds, near Dersim. Later became an active Committee of Union and Progress adherent and in 1910 chief aide-de-camp to the War Office. Held various staff appointments before becoming Under-Secretary for War in 1915. In 1916 commanded the Turkish division in Galicia, and in 1918 served on the Palesine front. In 1920 was a colonel in command of the Imperial troops at Konya. Joined the Nationalist cause in the summer of that year. Later in 1920 secured the command of the XIIth Army Corps, which he retained until the final success of the Turks over the Greeks. In 1923 was elected Deputy for Smyrna and became commander of the Vth Army Corps. In October 1924 resigned his deputyship on opting for military duties. In November 1924, on the resignation of Ali Fuat Pasha, became one of the three military inspectors-general, and in August 1926 was promoted divisional-general of the first-class, thus holding a higher rank than any of the Opposition Pashas. Was attached to the King of Afghanistan during the latter's visit to Angora in May 1928. On the 1st January, 1931, was appointed military commander of the district (Manisa and Balikesir), placed under martial law in consequence of the reactionary incident at Menemen.

General Fahrettin is a tall, well-built man and a good type. He has been described as a rough diamond, but is honest, and, next to Marshal Fevzi, probably carries most weight in Turkish military circles. In June 1934 met Shah of Persia and accompanied him to Angora, and in October went to Persia as head of a mission to arbitrate on Perso-Afghan frontier dispute.

22. *Falih Rifki* (*Atay*).

Born in 1894 at Constantinople and educated at Galata Saray College, where he was later a teacher. Was secretary to Cemal Pasha in Syria during the war, after which he took up journalism and for a time wrote articles for the *Ententist Akşam*. In 1920 joined Mustafa Kemal and wrote for the Nationalist press. Since 1923 has been Deputy for Bolu, and in the 1923-27 Assembly was secretary of the Foreign Affairs Commission. In the summer of 1927 he went to Rio de Janeiro as chief Turkish delegate at the International Parliamentary Congress, and returned deeply impressed by the advantages to be derived from an Anglo-Saxon, as opposed to a Latin, education. Throughout 1928 he continued to be in great favour, and in May was one of the Turkish delegates to the International Press Congress at Cologne. On his return he became president of the Commission for the Reform of the Turkish Alphabet, and, after the Gazi, has probably done more than anyone else to secure the general adoption of the new script. He owns the concession for the *Hakimiyeti-Milliye* and was a former director of the Anatolian Agency. In September 1930 visited Moscow in the company of the Minister for Foreign Affairs, and in April 1931 went to Albania on a mission connected with Balkan Union. In 1933 was member of Turkish delegations to Disarmament Conference in Geneva and Economic Conference in London. Is

one of the leading exponents of "new Turkish," in which he habitually contributes leading articles to the semi-official *Ulus* as the *Hakimiyeti Milliye* is now called.

Falih Rifki is, at the same time, the youngest and the wildest of the President's boon companions. He is frank, has a fair knowledge of French, and is an ardent Westerner. Has tremendous driving power, but is a heavy drinker, and this and other excesses are unfortunately already beginning to tell their tale. An excellent bridge player. He recently divorced his wife, who, though not without intelligence, was undistinguished and lived mostly in Constantinople.

23. *Ferit, Ahmet*.

Born at Brusa in 1875. Passed through Harbiye Military College in 1898 with rank of captain. Later went to Paris and studied at School of Political Science. Only returned to Turkey after 1908. Joined the Committee of Union and Progress and became Deputy for Kütahya. In 1910 joined the *Entente* libérale party, and was exiled by the Committee of Union and Progress in 1913 to Tripoli, where he met his future wife. He made his peace with Talat Pasha in 1915 and became consul-general at Kiev in November 1917. Recalled in December 1918, he resumed attacks on the Committee of Union and Progress. In 1919 was Minister of Public Works and of Finance under Damat Ferit Pasha. He resigned in July owing to his desire to reach an understanding with Mustafa Kemal. Joined the Nationalist cause in April 1920, was immediately elected a Deputy in the Angora Assembly, and soon afterwards became Minister of Finance. In September 1920 attended the Baku Congress and soon afterwards appeared rather pro-Bolshevik. In November 1921 was appointed representative of the Angora Government at Paris, which post he held till February 1923, when he was recalled because of certain offensive remarks made regarding the Allies. In spite of opposition in the Assembly, he became Minister of the Interior in October 1923. Was the subject of many attacks both in the Assembly and the press, but continued to hold the post till May 1924. Appointed Ambassador at London in June 1925. Was summoned to Angora in December 1930, with his colleagues at Paris and Berlin, to consult with the Government and the Gazi on the financial and general situation when it was rumoured that he would be appointed Minister of Finance in place of Saracoglu Şükrü Bey. This, however, did not materialise. Unexpectedly transferred to Warsaw in May 1932.

Ferit speaks good French and Arabic and a little English. A thorough opportunist and rather unscrupulous. Wife is attractive and helped him to make something of a success of the London Embassy.

24. *Fethi, Ali*.

Born at Ohrid, Macedonia, in 1877. Graduated from military school in Constantinople in 1903 and saw service in Macedonia. Became an ardent Committee of Union and Progress adherent and took charge of Abdulhamit on the expulsion of the latter to Salonica. 1910-13, military attaché at Sofia, and 1913-17, Minister there. Was for a short time Minister of the Interior in autumn of 1918, and soon after was deported to Malta for political reasons. Released in April 1921 he proceeded at once to Anatolia and became Minister of the Interior. In July-August 1922 proceeded on a mission to Paris and London. In 1923 elected Deputy for Constantinople, and during two months was President of the Council of Ministers, which post he resigned on emergence of republican issue. In November became first President of the Assembly. In March 1924 was regarded as being identified with the Opposition when the question of the President's powers was under consideration. In May chief Turkish delegate for Mosul discussions in Constantinople. Represented Turkey before the League of Nations in September and later proceeded to Brussels again in connexion with the Mosul question. Became President of the Council for the second time, and in November also held the portfolio of Defence. His period of office was marked by moderation, and he had the support of the Oppositionist Progressive party. In March 1925, on the outbreak of the Kurdish revolt, his Government fell because of his alleged lukewarmness in dealing with the rebels, and in the same month he was appointed Turkish Ambassador in Paris. Resigned his post in August 1930, when he reappeared in Turkey as the founder of a new political party—the

Liberal Republican—with the full approval of the Gazi, probably even by his order. To facilitate his entry into the Assembly, was returned unopposed as Deputy for Gümüşane. Was obliged, by failure of presidential support, to dissolve his party in November, but retained the Gazi's friendship, and they were much together during the annual festivities at Angora, October–November 1931 and on subsequent occasions. Did not stand for re-election at the general election of 1931, and was living in retirement at Constantinople when, in March 1934, he was appointed Ambassador in London on the personal initiative of the President of the Republic.

Fethi has Mongol features. He is pleasant to talk to, speaks good French, and is essentially a moderate. He has an attractive English-speaking wife, and his daughter is being educated at the English High School for Girls, Constantinople. There is evidence that even from Paris he exercised no little influence at Angora, and a visit which he paid to the capital in 1928 had much to do with the Turkish acceptance of the Ottoman debt settlement.

25. *Fevzi, Field-Marshal.*

Born in Constantinople in 1874. Graduated from the military college in 1898. Saw service in Macedonia. From then until 1913 held numerous staff appointments. During the war fought at Gallipoli, in the Caucasus and in Palestine, and was Chief of the General Staff 1918–19. In November 1919 was sent on a mission to Anatolia by the Constantinople Government and established relations with Mustafa Kemal. Held the portfolio of War in Constantinople Government during February and March 1920. He was throughout in close touch with Mustafa Kemal, and on his resignation he went to Anatolia and was at once appointed Minister for National Defence. Played a large part in building up the Kemalist army and in organising transport and the production of ammunition. In 1921 he became, for a time, a back number, but later re-established his position and became Chief of Staff. In 1923 was elected Deputy for Constantinople, and since then has been annually reappointed Chief of Staff. Resigned his deputyship in October 1924 on opting for military duties. In the autumn of 1927 was suffering from diabetes and went to Europe for a cure. Since then his health has much improved.

Fevzi Pasha had the confidence of Enver Pasha during the Great War, and later of Mustafa Kemal. Reputed to be a capable officer, especially in matters relating to administration. Regarded by Halide Hanim as a good soldier, but nothing more. Has considerable influence with the army. Was in his time a pan-Turanian as well as a pan-Islamist, and on the abolition of the Caliphate was regarded as the only rival of Mustafa Kemal, of whose manner of life he was understood strongly to disapprove. Was regarded as the leader of the war party at Angora during the Mosul crisis. Is somewhat old-fashioned and keeps his womenfolk secluded, but he is now seen more in public than formerly. Speaks a little French and is pleasant to talk to.

26. *Fuat (Ağrali).*

A son of Ethem Efendi, a former defterdar of Adrianople Vilayet. Was a finance official by profession and a keen Unionist in politics. Elected Deputy for Constantinople in 1926 and 1927. In November 1927 elected member of Finance Committee of Assembly, and a year later vice-chairman of Budget Committee. Resigned this position in January 1929 on appointment to presidency of Cour des Comptes. In November 1929 elected chairman of Budget Committee and member of executive bureau of People's party. Did not stand at the general election of 1931, but was returned at a by-election as Deputy for Elaziz in October 1933, and was appointed Minister of Public Works shortly afterwards. Became Minister of Finance in February 1934. Little is known of Fuat's personal characteristics, and even since his promotion to Cabinet rank he remains practically unknown to Angora society.

27. *Hakki Şinasi, General.*

Born at Constantinople in 1868, the son of a Foreign Ministry official. Studied first at the naval, and afterwards at the medical, school. Followed medical courses at Berlin, Heidelberg and Munich. While a doctor at the Hamidiye Hospital in 1904 was expelled to Anatolia. On his return in 1906 was

reinstated with rank of colonel, and later promoted general. Retired in 1918, and from then till 1924 occupied himself with municipal affairs. In November 1924 became a Deputy for Constantinople, and was in 1927–28 chairman of the Public Health Commission of the Assembly. In September 1925 was Turkish Red Crescent delegate at the International Red Cross Conference at Geneva. In March 1928 became chief inspector of the People's party for Constantinople, and in the late summer mediated successfully in a Constantinople tramway strike. Elected a Deputy for Erzerum in April 1931.

28. *Hamdi, Mehmet.*

Born about 1880. During the armistice was head of the Refugee Section of the Ministry of Interior in Constantinople. In 1923 was elected Deputy for Erzincan. In 1924 was assistant Turkish delegate for the exchange of Turco-Greek populations, and in 1923 became chief delegate on the appointment of Tevfik Rüştü Bey as Minister for Foreign Affairs. Negotiated the Turco-Greek Agreement of 1925, and in June was appointed Minister at Vienna. Transferred to Berlin as Ambassador in May 1934. Short and stoutish, Hamdi speaks French fairly well and is intelligent and moderate.

29. *Hamdullah Suphi.*

Born at Constantinople in 1881. Educated at Galata Saray College. In 1901 entered Ministry for Foreign Affairs as a clerk. Remained there till 1908, occupying himself in writing poetry. After the Constitution continued his literary efforts, and was the founder of a society of young poets which developed into the Turkish Ojaks. In 1910 appointed Professor of Turkish Literature at the Constantinople University. Was for a time in opposition to the Committee of Union and Progress, but after the Balkan war was on good terms with the Unionists. Later became the leading propagandists of pan-Turanianism. Travelled in Germany during the war. In the early armistice was anti-British and pro-Italian. In April 1920 joined Mustafa Kemal at Angora. Later in the year was for a time head of the Kemalist Intelligence Service. January–April 1921, Minister of Public Instruction. In April became Vice-President of the Assembly, and occupied himself chiefly with the pan-Islamic Congress, then held in Angora. Was again Minister of Public Instruction during the latter half of 1921, and was one of the first of the Angora leaders to make a speech against the Sultan. In 1923 was elected Deputy for Constantinople and later president of the Turkish Ojaks, to which he devoted most of his time and energy. During 1923 was president of the Foreign Affairs Commission of the Assembly, and from March till December 1925 was again Minister of Public Instruction, resigning finally on grounds of ill-health. September 1927 re-elected for Constantinople, and became a member of the Constitutional Commission of the Assembly. In October 1930 went to Athens as a member of the Turkish delegation to the Balkan Congress. Early in 1931 the Turkish Ojak organisation was merged in that of the Popular party, to his great grief, and in April, not having been re-elected Deputy, he was appointed Minister at Bucharest.

Hamdullah Suphi is an idealist of the pan-Turanian school, and was the moving spirit of the Turkish Ojaks until their suppression. He is a keen moderniser. Is not possessed of means, and his honesty is above reproach. Is violently anti-Russian; one of his sons is at the English High School for Boys at Constantinople.

30. *Hasan (Saka).*

Born in Trebizond in 1884. Said to be of Laz origin. Educated at Constantinople and in Paris, where, from 1909–14, he studied at the School of Political Science. During the war was head of the Economic Section of the Food Supplies Directorate, and in December 1919 became Deputy for Trebizond. Joined the Kemalist movement in March 1920, and in May 1921 became Minister of Finance, holding the post until April 1922. By this time he was apparently very pro-Bolshevik in sympathy. From May till July 1922 Minister of Economics and Public Works. In November was appointed member of the Turkish delegation to the Lausanne Conference, when he acted as financial expert. In September 1923 was again Minister of Economics. In March 1924 Minister of Commerce, and in March 1925 again Minister of Finance, resigning in July

1926, ostensibly on grounds of ill-health. Continued, however, to play an important part in Turkish financial matters. Was re-elected Deputy in September 1927, and in November, when it was rumoured that he would re-enter the Ministry, he became first Vice-President of the Assembly. Was president of the Turkish delegation to the Balkan Congress at Athens, October 1930. In May 1931 went with the Minister for Foreign Affairs to Geneva to attend the European Union Conference, and while there attended also the International Conference for the Limitation of Dangerous Drugs. In October was president of the Second Balkan Conference, held at Constantinople, and in December was elected president of the Supreme Economic Council. Led the Turkish delegation to the Third and Fourth Balkan Conferences at Bucharest and Salonica in 1932 and 1933 respectively. In May 1934 headed delegation of Turkish Deputies to Budapest to return visit of Hungarian Deputies to Angora in October 1933. Re-elected one of the Vice-Presidents of the Assembly in November 1934.

Hasan fancies himself as an expert in matters pertaining to finance. Knows French fairly well; is a man of private means, wily and has a sense of humour. Not attractive personality. Probably a bully, has been described as something of an "apache," and most nearly answers the description when playing bridge, which he does very well. Has a young and not unattractive wife.

31. *Hasan Fehmi.*

Born at Gümüşane in 1877. Educated at Constantinople, and from 1902 to 1910 held various posts in the Turkish Civil Service. In 1910 Governor of Gireson (Kerasund), and in 1912 of Komotini (Gümülcina). 1913–18 Deputy for Gümüşane. Joined Mustafa Kemal in April 1919. In 1920 Vice-President of the Assembly. In April 1922 was Minister of Finance. In 1923 elected Deputy for Gümüşane. August 1923 till January 1924 again Minister of Finance, resigning because of a dispute over the Anatolian Railway question. November 1924 till March 1925, Minister of Agriculture. December 1925, became one of the Government delegates on the board of the Ottoman Bank. Was re-elected Deputy in September 1927. In November of that year became chairman of the Finance Commission, and in November 1928 a member of the Constitutional Commission. Re-elected Deputy for Gümüşane in April 1931, and elected chairman of the Budget Commission in May. Elected President of Finance Commission in November 1933 and again in November 1934.

Hasan Fehmi is not regarded as a strong man, and during his occupation of ministerial posts was little more than a nominee of Mustafa Kemal.

32. *Haydar.*

Born at Philippopolis about 1885. Having completed his studies at Galata Saray College, he entered the Ministry for Foreign Affairs and remained there till 1911, when he became second secretary at Sofia. Attended the London Peace Conference in 1913 and then remained at Sofia until February 1919, when he returned to the Ministry. June–December 1919 was Director of Press, and in May 1920 became private secretary to the Minister for Foreign Affairs, retaining the post till the fall of the Constantinople Government in November 1922. Was a member of Turkish peace delegation to London in February 1921 and March 1922. Early in 1924 was a Turkish delegate for exchange of populations, and in August became first secretary in Berlin. In August 1925 was appointed Chargé d'Affaires at Stockholm, Oslo and Copenhagen. In November 1928 was appointed Minister at Belgrade, and in the autumn of 1931 acted as Under-Secretary of State for Foreign Affairs in the place of Numan Bey.

Haydar is something of an intriguer and rather an opportunist, having tacked fairly successfully to the varying winds which have blown in Turkey during the last generation. He is, however, amiable and good-mannered, as well as able and intelligent. Strongly favours a close Bulgaro-Turkish friendship.

33. *Hikmet, Yusuf.*

Born in Constantinople about 1882. Educated at the Galata Saray College. Entered the Turkish Diplomatic Service and served as a secretary at Paris and Berlin. Returned to the Sublime Porte early in the armistice, but in 1920 went

to Angora, where he at once became Political Director at the Foreign Ministry, and accompanied the Nationalist mission to Europe in 1922. In 1924 was counsellor in London, and in January 1925 again became head of the Political Section of the Foreign Ministry. In the summer of 1925 he became Minister at Belgrade, holding the post till November 1927, when he became private secretary to the President of the Republic. In July 1928 was appointed Ambassador at Kabul, where he has not been a success, but his position was made very difficult by the collapse of Amanullah and the consequent eclipse of Turkish influence. In 1930–31 went on tour in India, and on his return treated His Majesty's Minister at Kabul to animadversions on the laxity of British rule in that country. Became secretary-general to the Presidency of the Republic in the spring of 1932, and on resigning the post in October 1933 was elected Deputy for Manisa and soon afterwards appointed Minister of Education. Resigned this post in July 1934, ostensibly in order to devote himself to historical studies.

Yusuf Hikmet is short, dark, and somewhat insignificant in appearance. He is, however, intelligent. He has agreeable manners, and, in spite of slight deafness, was generally popular in Belgrade, where His Majesty's Minister found him pleasant to deal with. He might, nevertheless, turn out to be something of a mischief-maker. Is said to be a voracious reader and collector of news, without, however, the capacity of digesting or even appraising his material.

34. *Hilmi (Uran).*

Early history unknown. Appointed Vali of Adana in 1925, and was soon afterwards fined by the Angora Independence Tribunal for failure to send certain witnesses from Adana to the capital. Later became local Popular party inspector. In September 1927 was elected Deputy for Adana, in October became a member of the executive bureau of the Popular party, and in November a member of the Internal Affairs Commission of the Assembly. Elected vice-president of this commission in 1928, reporter in 1929, and again vice-president in November 1930. In December 1930 succeeded Zekâi Bey as Minister of Public Works, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned on account of ill-health in October 1933. Re-elected to Commission of Internal Affairs in 1934.

35. *Hulusi Foat (Tugay).*

Born in 1885 at Constantinople. Member of the Turkish Diplomatic Service. Was employed at Berlin and Vienna during the war, and in Christiania in 1923, when he received an appointment in the Ministry for Foreign Affairs at Angora. May 1924 became "chef du cabinet" of Adnan Bey, delegate at Constantinople of the Ministry for Foreign Affairs. In October went to London as a member of the Turkish delegation in the Congress of the League of Nations Societies. Resigned in March 1925 for reasons unknown, though it was suggested that (1) he had outshone Nusret Bey, (2) he was not fully sympathetic with Angora. In May appointed Chargé d'Affaires at Tokyo. In September 1928 was transferred in the same capacity to Nanking, whence he was recalled to the Ministry for Foreign Affairs in August 1931, to become Director-General of the VIth Department. Is now Director-General of the Vth Department, with the rank of permanent Chargé d'Affaires.

Hulusi Foat, or Foat-Tugay, as he has begun to call himself, is a son of "Deli" Fuat Pasha, and his wife, who is a pleasant woman and an excellent linguist, is a daughter of Mahmut Muhtar Pasha and a niece of the King of Egypt on her mother's side. He is pleasant to deal with, accustomed to European ways, enjoys a good cigar, not very clever, and believed to be fairly straight. Knows English and speaks excellent French.

36. *Hüseyin Cahit.*

Born at Constantinople in 1876. Took up the teaching profession, but in 1908 went over to journalism and became, till 1912, editor and part proprietor of the *Tanin*, the official organ of the Committee of Union and Progress. From 1908 was one of the Constantinople Deputies in the Chamber, of which he became one of the vice-presidents during the war. Before the war was representative of the Turkish bondholders on the Public Debt. Played no great political part during the war, but at the armistice was arrested and deported to Malta. Released in April 1921, he spent the following year in Europe. On his return to

Constantinople, he recommenced publication of the *Tanin*, and, for a time, supported the Kemalist régime. Nevertheless, he kept in close touch with the surviving Committee of Union and Progress leaders, and gradually began to take a more independent line in his writings. By 1923 the *Tanin* had become the chief organ of the Opposition, and in December Cahit was tried and acquitted for the publication of the Aga Khan letter. In April 1925 he was again arrested for his publications, the *Tanin* was suppressed and Cahit Bey was sentenced by the Independence Tribunal to a life-time confinement in a fortress (Çorum). He was again brought before the tribunal in August 1926 for alleged participation in the Smyrna plot, but was acquitted and soon afterwards released. In 1930 became chairman of the board of directors of the Bank of Industries and Mines. In September 1932, created a sensation at the First Turkish Linguistic Congress by calling in question the Gazi's favourite linguistic theories, and opposing the wholesale elimination of words of foreign origin.

Tall and slight, Cahit was remarkable for his biting satire, and was feared by his enemies. Has written several poems and produced a number of scholastic books. His former power was doubtless derived partly from his association with Cavit and the Government seem to have brought him to terms.

37. *Hüseyin Raǧip.*

Born about 1885 in Rhodes. A brother of the late Reşit Galip, ex-Minister of Education (1932–33). In 1923 was appointed Turkish representative in Paris. Transferred to Bucharest in April 1925. Appointed Ambassador at Moscow in January 1929. Transferred to Rome in July 1934.

Is of pleasant address, unmarried, speaks good French, and is well looked upon in the highest Angora circles. Possibly the best Turkish Ambassador to Russia since the war. Keeps an open mind about the Soviet régime and endeavours to judge it without bias. Entertains generously and with good taste.

38. *Hüsrev.*

Born about 1884. A soldier *de carrière*; was military attaché at Athens at the outbreak of the Great War, and later served on the staff of the Caucasus Army as an intelligence officer. During the early part of the Nationalist struggle was private secretary to Mustafa Kemal Pasha. In February 1921 was a member of Bekir Sami Bey's mission to Paris, London and Rome. In July 1923 was elected Deputy for Urfa. In May 1924 became Minister at Budapest. Later resigned his deputyship on opting for his Legation. In August 1926 was appointed Minister at Sofia. In July 1930 was appointed Ambassador at Warsaw, but did not proceed, and the following month was appointed Ambassador at Tehran, where he became increasingly unpopular, making no secret of his disgust for all things Persian. In 1931 the Persian New Year arrangements were altered to prevent his making a speech as doyen of the Diplomatic Corps. Resigned, ostensibly on ground of ill-health, in June 1934, to make way for Enis (*q.v.*).

Hüsrev is tall and good-looking, and is a friend of the Gazi. Though already possessed of a family name (Ridvanbeyoğlu) he will presumably, on account of its feudal flavour, have to adopt a different one.

39. *Ibrahim Tali.*

Born about 1885. An ex-army doctor by profession, and served in that capacity during the Great War. Came under the Gazi's notice at Diarbekir in 1916 or 1917. Later became Turkish consul at Batum. In February 1924 it was rumoured that he would succeed Adnan Bey as representative of the Ministry for Foreign Affairs at Constantinople, but instead, he went to Salonica to investigate alleged abuses on the part of the Turkish consul there. In April was appointed Minister at Warsaw. January 1926 elected Deputy for Diarbekir, and returned to Angora in the following month. In May became inspector-general of the People's party in Constantinople, and, as such, had very extensive powers. Took a prominent part in the 1927 elections and was himself again returned for Diarbekir. In October became vice-president of the Executive Council of the People's party, and in November a member of the Assembly Foreign Affairs Commission. In December resigned his deputyship on being appointed inspector-general of the Eastern Provinces, with extensive powers. Has had considerable

success in modernising the backward districts under his jurisdiction. Resigned post and elected Deputy for Constantinople in December 1932. Resigned Deputyship in April 1934 to take up new post of Inspector-General of Thrace.

Ibrahim Tali is a short, bullet-headed man and wears heavy glasses. He speaks French and a little English, and is cultured. Is pleasant in conversation, genial, tactful and broad-minded. Has been to Bombay, studies Anglo-Indian administration and, at least while in charge of the Eastern Provinces, made his officials start work at 7·30 and stop at 1.

40. *Ihsan* (*Akalin*), *General.*

Born about 1875 at Constantinople. Left military college as a staff captain in 1896. 1900–06 military attaché at Athens. Joined the General Staff as lieutenant-colonel in 1906. From 1908 to 1911 he served on the staff of the VIIth Army, being then appointed its chief. Later, recalled to the Imperial General Staff, was placed in command of Edremit Division in 1912, and in 1914 was transferred with rank of brigadier-general to the 34th Division at Erzerum. Was captured after the battle of Sarikamiş in January 1915 and sent as a prisoner to Siberia, whence he escaped in December, making his way on foot to China, and from there returning by way of America to Constantinople. On his return he was placed on the retired list by Enver and took up the post of mayor at Yeniköy, on the Bosphorus. Brought back after the armistice, and became in 1919 a member of the Military Court of Constantinople, in 1920 Inspector of Prisoners of War and in 1921 Director of the War Department. This brought him in close touch with the Angora Government, and in December he became superintendent of their organisations in Constantinople. Though officially unemployed from November 1922, he was charged with the defence of Constantinople in the event of war between Turkey and the Allies. In July 1924 became Vali of Smyrna, in 1926 Deputy for Constantinople and since 1927 has been a member of the National Defence Commission of the Assembly. (President since 1932.) Elected Deputy for Giresun (Kerasund) in April 1931, and member of the executive bureau of the People's party in November 1933.

General Ihsan is a thin, short man with ape-like features. He is something of an opportunist. He is married, and has an American-educated English-speaking daughter, who is married to Emin Ali, Turkish Chargé d'Affaires at The Hague. He has published an account of his escape from Siberia.

41. *Ismet* (*Inönü*), *General.*

Born in 1880 at Smyrna, where his father was a small landed proprietor. Educated at the military college, and from 1906–12 saw service in Thrace and the Yemen. Joined the General Staff in 1914. 1915–16 Chief of Staff of the Caucasus army. 1917–18 in Palestine, and became Under-Secretary for War in the autumn in 1918. Early showed Nationalist sympathies, and joined Mustafa Kemal in March 1920, at once becoming Chief of Staff of the Nationalist forces. Assumed command of the Western Army in December 1920, and was chief Turkish delegate at the Mudanya Conference in October 1922. In the same month was appointed Minister for Foreign Affairs, and in November went to Lausanne as chief Turkish delegate. Signed the Treaty of Lausanne on behalf of Turkey in July 1923, and in October became Prime Minister, retaining the portfolio of Foreign Affairs. At the same time Mustafa Kemal delegated to him the functions of president of the People's party. During 1924, owing to his ill-health, his administration became more and more unpopular, and he resigned in November. On the outbreak of the Kurdish revolt in March 1925 he was again summoned to power by Mustafa Kemal, and has since been Prime Minister, though, in August 1925, it was rumoured that his relations with the Gazi had become strained owing to his opposition to the divorce of Latife Hanim. This rumour proved unfounded, and his position remained as strong as ever. In August 1926 he was promoted general of the first class, and in November 1927, after the general election, at which he was re-elected for Malatya, he reconstructed his Cabinet on more moderate lines. In 1930 his health was not good, and he was subjected to much criticism, but defended himself strongly on formation of Liberal party in August. His triumph was again complete when Fethi Bey was forced to dissolve that party in November. Re-elected for Malatya

in April 1931, and soon after again became Prime Minister with the same colleagues as before. Paid official visits to Moscow and Rome in the spring of 1932 and to Sofia in September 1933.

Ismet in his army days was regarded as an exceptionally capable staff officer, an indefatigable worker, and was, to a large extent, responsible for the final Nationalist success against the Greeks in 1922. At Lausanne he showed himself a stubborn but able negotiator. Is courteous and never shows signs of being ruffled, but suffers from deafness, which, however, he probably finds convenient at times. Is the only one of the prominent early Nationalist leaders who has retained the confidence of Mustafa Kemal, and remains, as he has been for the last six years, the President's right-hand man. According to Halide Hanim (July 1926): "He subordinates himself entirely to the Gazi and only wants to hang everybody." Though this estimate is undoubtedly overcoloured, there is certainly a hard strain in Ismet's character, while, as regards the Gazi, it is probably truer to say that they make an admirable combination, Ismet not always being merely the organ of execution of reforms, but sometimes, at any rate, being even more thorough-going than his chief.

42. *Izzettin, General.*

Early history unknown. Commanded the Ist Army Corps at the Sakarya battles, 1922. In July 1923 was elected Deputy for Aydin, but resigned his seat in October 1924 on opting for military duties. In June 1925 became Inspector-General of the IIIrd Army. In August 1926 was promoted general of division and in 1930 full general. Is a member of the Supreme War Council. In November 1933 accompanied the Voroshiloff–Karakhan delegation (which had visited Angora for the celebration of the tenth anniversary of the Turkish Republic) back to Odessa, where he was fêted and gave public expression to Russophil sentiments.

43. *Kâzim (Inanç), General.*

Born at Diarbekir in 1879. Educated at the military school. 1904–08 employed at the Ministry of War. 1909–12, and again 1913–14, military attaché at Rome. 1915 Chief of Staff of the Ist Army at the Dardanelles, under Liman von Sanders, whom he accompanied throughout the war, and finally to Palestine. In November 1918 became director of the Military Council. Showed no violent anti-Ally feelings during the armistice, and in June 1920, after joining in an effort to secure a reconciliation between Angora and Constantinople, joined Mustafa Kemal, though at the time expressing the continuation of his sympathy with Great Britain. In October 1920 was appointed Director-General of Administration of the Kemalist Western Army, and in October 1921 Under-Secretary of National Defence. In 1922–23 was in command of the Turkish troops on the Çanak front. In 1924 succeeded Cevat Pasha as an inspector of the IIIrd Army. In the spring of 1925 was in charge of the troops for the suppression of the Kurdish revolt, and in June resigned his military inspectorate. In August 1926 became Vali of Samsun. In November 1930 was forced to resign and summoned to Angora because of his impartial attitude during the municipal elections at Samsun, which resulted in the victory of all the Liberal party candidates. Was subsequently forgiven, and elected as People's party Deputy for Smyrna in December 1932.

Kâzim was highly esteemed by Liman von Sanders, and is an industrious, well-trained and efficient officer. He is not a political intrigner, has moderate views and has never expressed a marked preference for any particular party. At Samsun he earned a reputation for energy and efficiency. He is friendly with foreigners, and was held in high esteem by the foreign colony at Samsun.

44. *Kâzim (Özalp), General.*

Born at Veles (Köprülü) about 1884. Has followed a military career, and was early a staunch adherent of the Committee of Union and Progress. Held various commands in the eastern vilayets, and during the war was Director-General of Administration to Ali Fuat Pasha. In July 1919 was in command of troops at Balikesir, and there worked for the Nationalist cause. In the autumn raised irregular bands round Bandirma to support Mustafa Kemal, who

appointed him Governor of the Balikesir area in January 1920. In June was given command on the northern front, and, after the battle of the Sakarya, was promoted Pasha, becoming, in the following month, January 1922, Minister of National Defence. Held this post till November 1924, when he became President of the Assembly. In August 1926 was promoted to be divisional general of the first class. Following the general election in September 1927, at which he was again returned for Karasi (Balikesir), he was, in November, re-elected President of the Assembly, and has been re-elected each succeeding year. Was president of the Turkish Linguistic Congress at Constantinople in the autumn of 1932.

General Özalp Kâzim is fairly well educated, and speaks a little French. He is considered to be tenacious though reasonable, but he does not strike one as a strong character. Has poor health. Is probably anti-German, and possibly still anti-Bolshevik, and during the Nationalist struggle made it clear that he was anti-Greek as distinct from anti-Ally. Is influential, but not an attractive personality. A keen poker player.

45. (*Mehmet*) *Kâzim, General.*

Born about 1883. Fought in Turco-Italian and Balkan Wars, also in Great War in Austria (commanded a brigade against the Russians at Przemysl), at Gallipoli and Erzerum. At the armistice was Chief of Staff of IXth (Caucasus) Army. Was in charge of the division which captured General Tricoupis in the War of Independence. In 1925 he became Sub-Chief of the Turkish General Staff. Was promoted general of division in 1926, and in November 1928 was chief of the Turkish military mission then sent to Afghanistan, but the mission came to nothing owing to the collapse of Amanullah. Given command of IVth Army Corps in June 1929. Now Inspector-General of Gendarmerie.

General Kâzim has a precise manner of speaking, but is pleasant and reasonable. Supposed to be rather hidebound as regards military matters. He is married to a sister of the late Enver Pasha. Probably anti-Russian and pro-German. A great friend of the late Kemalettin Sami Pasha, Turkish Ambassador at Berlin.

46. *Kâzim Karabekir, General.*

Born at Bitolj (Monastir) in 1878 of poor parents. Has throughout his life followed a military career. Held numerous staff appointments during the war. Immediately after the armistice was given command of the XVth Army Corps at Erzerum, where, in 1919, he established contact with Mustafa Kemal, definitely joining the latter in September. In 1919–20 was responsible for the consolidation of the Nationalist position in the eastern vilayets and for the repression of the Armenians. At the same time, was closely in touch with Bolshevik agents. Was throughout inclined to act independently of Angora, and for a time his relations with Mustafa Kemal were strained. In September 1921 represented Turkey at the Kars Conference, when he incurred the displeasure of Angora by adopting too conciliatory an attitude towards the Bolsheviks, and also, probably, because of his great influence in the eastern provinces. In 1922 was given full powers there, and for a time was in touch with Enver Pasha. Finally arrived at Angora in October 1922, and, after being for a time unemployed, probably owing to the jealousy of Mustafa Kemal, became one of the military inspectors. Elected Deputy for Constantinople in 1923, he resigned his military duties in October 1924. Joined the Opposition, resigned from the People's party in November, when he became president of the new Progressive party, which was suppressed in March 1925. He continued his opposition activities, and in July 1926 was arrested and tried at Smyrna for participation in the alleged plot against the Gazi, but was acquitted, probably owing to his influence with the army, which it was later stated wished to make him leader of an opposition movement. Ceased to be a Deputy in September 1927, and was severely criticised in the Gazi's lengthy review of the revolution in October 1927. Since then little has been heard of him, though his influence, particularly with the army, still remains considerable. Was proposed as an Independent candidate for Istanbul in 1931, but not elected, as his candidature was vetoed by the Popular party. In May 1933, in a letter to a newspaper, claimed the credit of having started the Nationalist movement before Mustafa Kemal. This caused an uproar in the press, which made much of the Gazi's comment that Kâzim Karabekir was a case for the mental specialists.

Colonel Rawlinson says: "Kâzim Karabekir Pasha is the best example of a first-class Turkish officer that I have met. Any army under him will be well commanded." Possessed of a naturally quick and bright intelligence, he is master of every branch of his profession, and most conscientious in the performance of his duties. Is straightforward, and much of the Nationalist success was due to his competent handling of the Eastern Army.

47. *Kâzim* (*Sevüktekin*), *General*.

Born about 1880 and educated at the Military School. Was in command of troops (8th Division) at Angora 1925–27. In January 1928 became Deputy for Diarbekir and resigned his military appointment. Has remained Deputy for Diarbekir ever since and member of the National Defence Commission of the Grand National Assembly since November 1928.

General Kâzim, nick-named "Benli" (from "ben," a mole on the face), used to be described as a disagreeable type, ill-mannered, a bully and a drinker; but in recent years, at any rate, he has always seemed the soul of good nature and has shown himself particularly friendly to members of His Majesty's Embassy. He and his extremely plain wife are familiar and popular figures at the principal Angora "crushes."

48. *Kiliç Ali*

Born about 1882. Before and during the war was a non-commissioned officer. In 1919 he organised a tough lot of bashi-bozuks at Balikesir. Next heard of in Cilicia in 1920–21, when he acted with great energy against the Armenians, thereby earning the sobriquet of "Kilic" (sword). At the same time changed his name from Asaf to Ali, and became Deputy for Ayintap, which he still represents in the Assembly. In July 1924 assaulted Celal Nuri Bey with impunity in his office, and two months later accompanied Mustafa Kemal on his tour of the eastern provinces, an association much criticised at the time. Continued, however, to be one of the chief associates of the Gazi, and in March 1925 became a member of the Angora Independence Tribunal. In February 1927 wounded Salih Bey in a brawl arising out the Swedish railway contract. The independence tribunals having been suppressed in March, Kiliç Ali devoted himself to his numerous commercial activities till the summer, when he was in attendance on the Gazi at Constantinople. In November was a member of the Turkish mission sent to Moscow in connexion with the Russian revolution anniversary celebrations, and in the same month became a member of the executive bureau of the People's party and of the Defence Commission of the Assembly. Is a member of the board of the Iş Bankasi.

Kiliç Ali's character is clear from his record. He is a brute and a bully, with no apparent compensating features. He is, however, influential, owing to his friendship with the President of the Republic, though outwardly at least that friendship seems to be subject to a good deal of ebb and flow.

49. *Mahmut*.

Born about 1880. At one time, before the war, was tutor to one of the Imperial Princes. An army officer, he occupied his spare time in writing or translating military text books. Was an aide-de-camp to Mustafa Kemal in the independence war. Since 1923 has been Deputy for Siirt. By 1926 had become chief editor of the semi-official *Hakimiyeti Milliye* (Angora), and *Milliyet* (Constantinople); was a member of the executive bureau of the People's party and president of the fifth section of the Assembly. In November 1927 he became reporter of the Foreign Affairs Commission of the Assembly, and in the same month was a member of the Turkish mission sent to Moscow for the celebration of the tenth anniversary of the Russian revolution. Went to Paris and London, and was much pleased with his reception in London. He is also vice-president of the Turkish Aviation League and chairman of the board of the Iş Bankasi. Was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople in October 1931.

Mahmut is one of the leading journalists in Turkey and the President's man of business. Is very influential, but not much seen in public. Speaks French well and is capable. Appearance is very oriental, of an almost negroid type.

50. *Mahmut Esat*.

Born at Smyrna in 1886. Studied law in Constantinople and Switzerland, obtaining his degree in Fribourg in 1911. In 1912 established himself in Smyrna as a lawyer, and remained obscurely there till 1919. In May 1920 went to Angora, and in the following month was appointed Deputy for Smyrna and still retains this seat. In May 1922 published a violent article against the Sublime Porte and the Sultan, and in June became secretary of the Foreign Affairs Commission of the Assembly. In July became Minister of Economics, holding the post till September 1923, when he retired to Smyrna and was understood to have become an oppositionist. In March 1924 opposed the grant of veto and dissolution powers to the President of the Republic. In November became Minister of Justice, retaining this portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In August–September 1926 Acting Minister for Foreign Affairs during the absence of Tevfik Rüştü Bey at Geneva. In 1926 and 1927 he made several visits to Europe in connexion with the "Lotus" question, and was chief Turkish delegate before The Hague Tribunal in the summer of 1927, when the Turkish case was upheld. In 1930 became increasingly unpopular, and was accused of influencing the course of justice. His position became gradually weaker during the summer, and he was one of the chief objects of attack of Fethi Bey and the new Liberal party. Was not included in Ismet Pasha's Cabinet as reformed in September 1930 and in May 1931. In October 1931 published in a Smyrna newspaper a series of violent articles against freemasonry.

Mahmut Esat speaks French and German as well as Turkish and Greek. He is considered to be one of the best Turkish specialists in Constitutional Law. He showed great energy in the introduction of Criminal and Civil Codes based on Western models, of which the last named has revolutionised Turkish family life.

51. *Memduh Şevket*.

Early history unknown. Appointed Turkish Minister at Tehran in August 1925, and rather more than a year later returned to Angora with Teymourtache, via Moscow. Was said to be associated with schemes for an Asiatic League of Nations. Resigned his post in August 1930, nominally on grounds of ill-health, and was elected Deputy for Elaziz in April 1931. In October was a member of the Turkish delegation to the Second Balkan Conference at Constantinople. Elected member of the Constitution Committee of the Assembly in November 1932. Was also a member of the executive bureau of the People's party. Appointed Ambassador at Kabul in January 1933, and, after resigning his deputyship, left to take up his post in October.

Memduh Şevket had at one time the reputation of being very Asiatic and practically ignorant of Western Europe. At Tehran, however, he learned to speak French fluently, and was very friendly towards His Majesty's Legation. Is understood to have wide interests, especially historical.

52. *Muhlis* (*Erkmen*).

Born in Constantinople about 1887. Graduate of Halkali Agricultural School in 1911. Taught there 1911–16. Sent by Turkish Government to Germany for special course of study, and on his return resumed position as teacher at Halkali School. Was employed for a time as adviser in Ministry of National Economy, returning later to the agricultural school, where he specialised in the subject of milk. Still later became rector of the school, and was Under-Secretary for Agriculture in 1926 and 1927. In the latter year was elected Deputy for Brusa and member of the Budget Commission of the Assembly, of which he became *rapporteur* in 1928. In 1931 was elected Deputy for Kütahya and secretary of the Budget Commission. In December 1931 was appointed to the newly-created post of Minister of Agriculture. Is friendly and popular. Known to the Diplomatic Corps chiefly in connexion with the Angora Riding Club, of which he is an active member.

54. *Münür, Mehmet*.

Born about 1875. Educated at the Mülkiye College and Law School at Constantinople. After obtaining his diploma of doctor of law, was appointed one of the assistant legal advisers of the Sublime Porte, holding this post till 1916,

when he became chief legal adviser. As such attended the conference of Brzesć (Brest-Litovsk). Accompanied Izzet Pasha on the reconciliation mission to Anatolia in December 1920. At once placed his services at the disposal of the Nationalist Government, and became legal adviser. Was Turkish legal adviser at the Lausanne Conference, and returned to hold the post at the Ministry for Foreign Affairs till February 1925, when he was appointed Turkish Minister at Berne. Became Ambassador at Paris in August 1930. Transferred to London in May 1932 and to Washington in March 1934.

Münür is a pretty good lawyer and rather the simple old-fashioned kind of Turkish official. He has a reputation for honesty, and created a good impression on the British delegates at the Lausanne Conference.

55. *Kemal* (*Atatürk*).

Born in 1880 at Salonica, son of an Albanian father and Turkish mother. Had an entirely Turkish upbringing, and was educated at the Mülkiye School at Salonica and at the military college in Constantinople, from which he passed out with the rank of captain in 1905. In 1907 he was for a time exiled to Damascus. Receiving a staff appointment at Salonica, he early joined the Committee of Union and Progress, and was at Salonica when the Constitution was proclaimed. Soon after quarrelled with the Committee of Union and Progress. 1910–11 served in Tripoli; 1913 became aide-de-camp to the Heir Apparent and military attaché at Sofia. In October 1914 was given a command at Gallipoli and distinguished himself at Anafarta in 1915, when he alone saved the situation in defiance of Von Sanders's orders. Later in the same year he fell foul of Enver and remained unemployed till 1917, when he was given a Caucasus command. In 1917–18 had twice command of the VIIth Army on the Palestine front, but quarrelled in turn with Von Falkenhayn, Liman von Sanders and Enver. In May 1919 was sent to Anatolia to stem the rising tide of nationalism, and on his arrival at Samsun immediately assumed leadership of the movement. On the 18th July announced his resignation from the army and devotion to the Nationalist cause, and on the 27th summoned the first Nationalist Congress at Erzerum. In November summoned the second Nationalist Congress at Sivas, and in December at Angora. During the following months he tried to dictate to the Constantinople Government, and in April 1920 established an independent Government at Angora. In May became President of the First Assembly and proceeded to organise the Nationalist army. In 1921 received Russian and Afghan Ambassadors at Angora, and in November was vested with absolute authority for the prosecution of the war. Early in 1922 had some difficulties with Assembly, but his dictatorship was successively prolonged for limited periods, and with the Nationalist victory over the Greeks in August–September his ascendency was complete. In November secured from the Assembly the abolition of the Sultanate. This step gave rise to opposition in the Assembly, and he dismissed it in April 1923. In the following election Kemalist nominees were to a large extent elected, Mustafa Kemal himself becoming one of the Deputies for Angora. In August was re-elected President of the Assembly, and in October, on the emergence of a Cabinet crisis, had a republic proclaimed with himself as President. Early in March 1924 decreed the abolition of the Caliphate, though in the same month the right of veto was refused to him, while in April the supreme command of the army in time of peace was vested in the Chief of the General Staff. Since that time the President has inspired the policy of the Government, and in all essentials controlled the Administration through his nominees. Though in many respects his policy is but a continuation of that of the Committee of Union and Progress, the drive which has put the recent great innovations through has been mainly his own. In August 1925 he divorced his wife, Latife Hanim, whom he had married in 1922, and in the same month he decreed the abolition of the fez. During the summer of 1926 a plot to assassinate him was "discovered" at Smyrna, and as a result a number of Opposition leaders were hanged. Early in 1927 his health showed signs of giving way, and he moderated his manner of life. He was also seen much more in public and his behaviour became more decorous. In the summer, after an absence of eight years, he at last visited Constantinople, and from there controlled the general election in September, at which only his nominees were returned. In October he made further history by delivering a six-day speech before a party congress, in which he reviewed the whole course of the Turkish

revolution. In the following month he was unanimously re-elected President of the Republic.

In May 1928 the King of Afghanistan paid him an official visit in Angora, being the first head of a foreign State to do so. As in 1927, the summer was spent at Constantinople and was followed by an extensive provincial tour, during which the campaign for the reform of the alphabet was launched, and the Gazi—a title assumed after the victory over the Greeks—earned the sobriquet of "Professor-in-Chief." In the autumn of 1930 his position became delicate owing to his having encouraged the formation of the new Liberal party by Fethi Bey, who had to dissolve it some months later. Started on a prolonged tour of the provinces in November to investigate abuses and hear complaints. Re-elected President of the Republic by the Fourth Grand National Assembly, May 1931. Has since been chiefly interested in Turkish historical and linguistic studies; has arrived at the conclusion that European languages and civilisation had their origin among the Altai Turks many thousands of years B.C. and, in particular, that the Hittites were of Turkish stock. Surname of Atatürk ("father of the Turks") conferred on him by vote of the Grand National Assembly in November 1934, when he dropped titles of Pasha and Gazi, as well as name of Mustafa.

Kemal is about 5 feet 7 inches tall, with a sallow complexion and steel grey eyes with a fixed expression. Has strong regular features and is now inclined to stoutness. Possesses an impressive delivery in speech-making, but has little personal magnetism. He is a driver rather than leader of men, is jealous of superior brains, and can brook no opposition, as the record of his life shows. From his early days he has been an excessive drinker, and is still given to excesses. Is, however, possessed of an iron will and constitution.

56. *Mustafa Seref* (*Özken*).

Born in Burdur in 1884. A graduate of the faculty of law of Constantinople and Paris. Was director of the Law School at Konya, professor of the Turkish University, Under-Secretary of the Ministry of Commerce, under the Imperial régime. Elected Deputy for Burdur. Took part in the Lausanne Conference. Lately one of the Turkish delegates for the negotiation of commercial treaties. Appointed Minister of National Economy in Ismet Pasha's new Cabinet, September 1930, and retained his portfolio in new Ministry, May 1931. Resigned in September 1932, and in November was elected chairman of Finance Committee of the Grand National Assembly. In April 1933 went to Rome as member of Turkish delegation to International Parliamentary Economic Conference, and in November became chairman of the Budget Committee of the Assembly.

57. *Naci* (*Eldeniz*), *General*.

Born at Bitolj (Monastir). Passed out of Constantinople Military School with rank of second lieutenant of infantry in 1893, and went to Germany for a course of military studies. Teacher of military manœuvres from 1897 to 1909. Commanded school for reserve officers at Beylerbey until its suppression in 1912. In February 1913 appointed director of studies at the Constantinople Military School. In February 1915 was made director of the training camp at Erzerum, and in 1917 joined the General Staff of the Caucasus armies. In July 1918 appointed personal A.D.C. to the Sultan (Mehmet VI, Vahidettin), and retained the post until April 1920, though in sympathy with the Nationalist movement, for which reason he fell foul of the Grand Vizier Damat Ferit. Accompanied Salih Pasha on his mission to Anatolia, and joined Mustafa Kemal. In 1924 was head of a military mission to Britain, France and Poland. In May–June 1925 was in command of the Government forces at Diyarbekir for the repression of the Kurdish revolt of Sheikh Sait. In 1927 commanded the Vth Army Corps at Konya and was promoted Divisional General. In 1928 made the arrangements for King Amanullah's visit to Angora, and was to have gone to Afghanistan as military adviser, but Kâzim Pasha was sent instead. Thereupon resigned from the army, and was elected Deputy for Cebelibereket. Was president of the National Defence Commission of the Assembly from November 1928 to November 1930, and is a member of the same commission since the latter date. Re-elected Deputy for Cebelibereket, April 1931.

General Naci is short, very dapper, possessed of pleasant but very formal manners, a refined and charming wife and an attractive daughter. Speaks French and excellent German.

58. *Necmettin Sadik.*

Born about 1890. Owner and chief editor of the *Akşam* newspaper, published at Constantinople. Elected Deputy for Sivas in September 1927, and member of the Public Instruction Commission of the Assembly in November. Was one of the Turkish delegates to the International Press Conference at Cologne in May 1928, and in November was elected member of the Foreign Affairs Commission of the Assembly, a position which he still retains. Early in 1929 his paper published an attack on His Majesty's Ambassador on account of sympathy shown with the sufferers from a fire at Kurtuluş (Tatavla), a Greek quarter of Constantinople, but later gave equal publicity to an explanation by Sir George Clerk. In November 1930 he accompanied, as journalist, the Turkish delegation to the preliminary Disarmament Conference at Geneva. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens, October 1931, and on his return was one of the Turkish delegates at the Second Balkan Conference, held at Constantinople. Member of Turkish delegation to Inter-Parliamentary Congress at Geneva, July 1932, and to the Disarmament Conference in January 1933. Was commissioned by the Gazi to reply to accusations contained in Harold Armstrong's *Grey Wolf*, which he did in a series of articles in the *Akşam* containing violent personal attacks on that author. Elected Secretary-General of "Franco-Turkish Friendship" group of Grand National Assembly in March 1934.

Necmettin Sadik speaks French and has pleasant manners.

59. *Numan (Melemencoglu).*

Born in 1890, a son of Menemenli Zade Rifat Bey, ex-president of the Ottoman Senate, and on his mother's side a relative of Namik Kemal Bey. After passing through Galata Seray College, went to Switzerland in 1913 to study jurisprudence. On the outbreak of war entered the Harbiye College as a cadet, but through his father's influence obtained in February 1915 the post of third secretary at the Turkish Embassy in Vienna. Transferred in 1916 to Berne, where he remained till transferred to The Hague some years after the war. Appointed first secretary at Athens in 1926, and in August transferred to Budapest as Chargé d'Affaires. After serving for a time as consul-general at Beirut, was in June 1928 appointed Director-General of the First Division at the Ministry for Foreign Affairs. Appointed Under-Secretary of State for Foreign Affairs in June 1929, in which post he completed the work of reorganisation initiated by his predecessor, Ennis Bey. Was in Germany for treatment during greater part of 1931. In May 1933 accompanied Minister of National Economy to Athens for commercial negotiations and cultivation of cordial relations with Tsaldaris Government. In June was promoted to rank of Ambassador and appointed Secretary-General of the Ministry for Foreign Affairs, a new post. In December led a delegation to Rome to negotiate a new commercial treaty.

Numan is slight, somewhat stooped, dark-haired and sallow-complexioned. Has very indifferent health. Quiet and retiring, but very intelligent and efficient, friendly-mannered, but rather unctuous. Speaks excellent French, and plays a good game of bridge. Married a French Swiss lady, now deceased.

60. *Nuri, Mehmet.*

Born about 1880. A former military attaché at The Hague. Was with Mustafa Kemal at Tripoli in 1911 and became his personal friend. Earlier history unknown. Elected Deputy for Kütahya in 1923, and again in 1927. In 1926–27 was a member of the Executive Bureau of the Popular party, and was elected to the Foreign Affairs Commission of the Assembly in 1927 and 1928. In August 1930 joined Fethi Bey's new Liberal Republican party, somewhat against the Gazi's wishes, and acted as its secretary-general until the dissolution of the party in November, when he was appointed a member of the Administrative Council of the Is Bankasi (Business Bank). Again seen a good deal with the Gazi in October and November 1931, when the press announced that he had applied

for and obtained readmission to the Popular party. Became member of Economic Committee of the Grand National Assembly in November 1932.

Nuri is tall, substantially built, and by no means forthcoming. Is a hard drinker, and until he joined the Liberal Republican party was one of the Gazi's most intimate and constant companions, and, as such, probably exercised a certain amount of influence. Owns house property at Angora.

61. *Nuri, Osman.*

Early history unknown. Was in 1924 member of staff of Foreign Affairs delegation in Constantinople. Later appointed Turkish consul at Tiflis. In December 1926 became head of Consular Section of Ministry for Foreign Affairs, and in March 1928 Assistant Under-Secretary of State for Foreign Affairs, chiefly in connexion with legal matters. Appointed Director-General of the Third (Balkan) Department in June 1928, and Chargé d'Affaires at The Hague in August 1931. In June 1933 was appointed Under-Secretary of State for Foreign Affairs in succession to Numan Bey, but never took up his duties, it was said because the Gazi considered him unsuitable. In July appointed first Turkish Minister at Tirana since recognition of King Zog by the Gazi, but for some mysterious reason did not proceed.

62. *Nusret.*

Born about 1878 of South Albanian origin. Educated at the Mülkiye College at Constantinople, after which he followed a course of jurisprudence at the law school. In 1903 became a clerk in the Legal Adviser's Department at the Sublime Porte. In 1916 became director of this department. In 1921 accompanied Tevfik Pasha's delegation to London in the capacity of legal adviser. Was in the Turkish delegation at Lausanne. Continued to share with Münür Bey the duties of legal adviser of the Angora Government until 1924, when he was appointed representative in Constantinople of the Ministry for Foreign Affairs. As such he was always ready to take reasonable views, and in so far as his limited powers allowed him, he was helpful. In June 1927 he resigned his Constantinople appointment on being appointed President of the newly-constituted Council of State. In 1931 was appointed chairman of the Board of Central Bank of the Republic—the State Bank.

Nusret gives lectures at the law school on international law, on which he is regarded as something of an authority. Is of a very quiet and studious disposition, and his chief pleasure consists in the perusal of legal works in French. Is personable and courteous, but in Constantinople his bugbear was social functions in Pera.

63. *Nusret Sadullah.*

Born about 1875, the son of Sadullah Pasha, at one time Ambassador and Minister for Foreign Affairs. Studied at the Galata Seray College, Constantinople, and at Vienna. Entered the diplomatic service, and served at Berlin and Vienna, until about 1900, when he became assistant legal adviser to the Sublime Porte. Owing to bad health was for some years unemployed, but in July 1913, after having been a Deputy for a few months, he became Minister in Belgium and afterwards at The Hague, where he remained until 1923. In 1925 he became head of the Political Section of the Foreign Ministry, but resigned in 1926 for reasons of health. In September 1927 became Deputy for Samsun, and two months later member of the Assembly Foreign Affairs Commission. Appointed Minister at Belgrade in February 1928, he resigned his deputyship, but was re-elected in October, ill-health having made it impossible for him to take up his new diplomatic post. Re-elected member of Foreign Affairs Commission of the Assembly in November 1930. Not re-elected to the Assembly in April 1931.

Nusret Sadullah is cultured and very popular, both in European and Turkish circles. He is also capable, but his poor health—a hereditary weakness, both his father and brother having committed suicide during fits of temporary insanity—has prevented him from attaining the distinction to which he would otherwise appear entitled. Was married to an Egyptian princess, now deceased, the daughter of the late Abbas Halim Pasha. Subsequently married an attractive Turkish lady, very much younger than himself. Is not a politician. Is now engaged in commerce and lives at Constantinople.

64. *Ragip Raif.*

Born in 1874, the son of Raif Pasha. Entered Turkish Foreign Office in 1897, went to London in 1901 and later to Berne, Brussels, Washington and again London, where he was counsellor in 1914. Remained in Europe during the war, and after it was Minister at Madrid. In 1927 became political adviser at Ministry for Foreign Affairs, and in January 1929 was appointed Chargé d'Affaires at Stockholm, Oslo, Copenhagen and Helsingfors. Appointed Chargé d'Affaires at Tokyo in July 1931, but did not proceed. Presented his credentials to the King of Sweden as Minister Plenipotentiary November 1933.

Ragip Raif shows distinct traces of Arab blood, and has a somewhat coarse appearance. Speaks English well, and is a good talker, but is addicted to drink, and when in liquor often indulges in indiscretions, which are generally amusing and sometimes interesting.

65. *Rahmi (Köken).*

Born about 1880 at Smyrna. Nothing known of his early history, except that for a time he was a finance official. Since 1923 has been a Deputy for Smyrna. Became Minister of Commerce in May 1926, and in November 1927, on the reconstruction of Ismet Pasha's Cabinet, retained that portfolio, combining with it that of Agriculture. Was not a success in this post, owing to complete lack of business capacity. Resigned on grounds of ill-health in May 1929. Elected member of the Economic Affairs and Accounts Committees of the Assembly in November 1930, and chairman of former committee in November 1931. Became chairman of Agricultural Committee in November 1932.

Rahmi is a big, burly man, who speaks nothing but Turkish. He rarely shows himself in public, but officially is courteous and helpful.

66. *Rana (Tarhan).*

Born in 1883 at Constantinople and educated at Galata Saray School. Studied wireless telegraphy in Europe, and was employed in the Directorate of Posts and Telegraphs until 1920, subsequently taking up private commercial and agricultural work. Was one of the founders of a modern cotton factory in Turkey. In 1926 was a member of the Constantinople Municipal Council, and in September 1927 was elected Deputy for Samsun, becoming in November a member of the Internal Affairs Commission of the Assembly. In June 1928 he was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris, was in November elected president of the Finance Commission of the Assembly, and about the same time became a member of the Executive Bureau of the People's party. In the summer of 1929 he represented Turkey at the Universal Postal Congress held in London, and during his stay in England visited several Manchester cotton mills under the auspices of the Department of Overseas Trade. Having been returned as Deputy for Constantinople in April 1931, he was soon afterwards elected vice-president of the Budget Commission of the Assembly, and in October was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople. At the end of December he was appointed to the newly-created post of Minister of Customs and Monopolies.

Rana, who speaks a little English, harbours grateful memories of the numerous official attentions which he received during his visit to London in 1929.

67. *Recep (Peker).*

Born about 1880. An ex-army officer. In 1922 became secretary-general of the People's party, and as such had considerable power. July 1923 Deputy for Kütahya. May 1924 became Minister of Interior and resigned from the secretaryship of the People's party. In the autumn of 1924 was considered one of the leading men of Ismet Pasha's Cabinet and a likely candidate for the premiership, but was maintained in his post on Fethi Bey becoming Prime Minister in November. In January 1925 resigned owing to his objections to the Cabinet proposal to appoint prefects by election, and resumed his post as secretary-general of the People's party until, in March, on the return of Ismet Pasha to power, he became Minister for National Defence. Early in 1927 his influence was said to be on the wane. He was re-elected Deputy for Kütahya in 1927 (again in 1931), but ceased to hold ministerial rank when Ismet Pasha reconstructed his Cabinet in November, and a few days later became chairman of

the Defence Commission of the Assembly. October 1928 became Minister of Public Works, but was not reappointed on re-formation of Ismet Pasha's Cabinet in September 1930. In March 1931 again became secretary-general of the People's party. Went on a prolonged tour of European countries, including Spain and Norway, in 1932.

Recep was unknown until the later years of the Nationalist struggle, and owed his position to his friendship with the President of the Republic. A big, burly figure, he is said to be ambitious, with a perpetual desire to become Prime Minister. He is, however, something of an extremist.

68. *Refet, General.*

Born in 1877 at Trnovo. 1898–1908 was employed in the gendarmerie in Macedonia. Commanded the gendarmerie battalion of the Army of Liberation in 1908. Went to the staff school in 1911, and was sent to Damascus in 1912. Became famous as the defender of Gaza in 1916, and 1918 received the command of the XXIIIrd Army Corps in Palestine. At the armistice was appointed commander-in-chief of the gendarmerie, and in May 1919 commander of the IIIrd Army Corps at Sivas. Landed at Samsun with Mustafa Kemal, and immediately became one of the latter's chief lieutenants. In September commanded the Nationalist forces at Konya, and in March 1920 was appointed commander on the Aydin front. In September was appointed Minister of the Interior, holding the post till April 1921. After holding various commands, was Minister of National Defence from July 1921 to January 1922. After the Mudanya Conference was appointed Governor of Thrace, but remained in Constantinople, where he rapidly overthrew the Sultan's Government and established Nationalist authority. In July 1923 elected Deputy for Constantinople, and soon afterwards resigned his appointment, which no longer had any *raison d'être*. In the autumn began to show Opposition tendencies over the proclamation of the republic, and was in close touch with the Caliph and Rauf Bey. Resigned his deputyship in May 1924 and thereafter lived quietly in Constantinople, though maintaining close touch with Rauf and other Opposition leaders. In October withdrew his resignation of deputyship, publicly joined forces with the Oppositionists, resigned from the People's party and became one of the leaders of the new Progressive party. In July 1926 was tried at Angora for participation in the alleged plot against the life of the President of the Republic, but was acquitted, supposedly because of his prestige with the army. In October he announced his abandonment of political life, and in November finally resigned his deputyship. In 1931 he visited Angora, and it was rumoured that he was to return to political life. Later he was put forward as independent candidate for Istanbul at the parliamentary elections, but his candidature was vetoed by the Popular party and came to nothing.

General Refet is one of the most able of the Nationalist leaders and of considerable political ability. In 1922, at Constantinople, showed himself to be an extremely keen and clever tactician. Though his private life is not above reproach, he can hardly fail to play a prominent part in any future Opposition movement in Turkey.

69. *Refik (Saydam), Dr.*

Born about 1878. Studied at Stambul Medical School and in Germany, and later practised medicine. Was an early supported of Mustafa Kemal, and from 1921 to 1923 was Deputy for Beyazit in the first Angora Assembly. Since 1923 has been one of the Deputies for Constantinople. Except for the period November 1924 to March 1925, when Fethi Bey was Prime Minister, Dr. Refik has been Minister of Health since October 1923. He has discharged the duties of his post with marked ability, and the great improvement in Turkish sanitary conditions and the successful draining of the Angora marshes are outstanding tributes to his ability and energy. His Ministry is easily the most efficient of all the Turkish official Departments. Is chairman of the Administrative Committee of the Turkish Red Crescent. Paid official visits to the United States of America and London in 1929. In October 1931 was Acting Prime Minister during Ismet Pasha's official visit to Athens and Budapest. Was Acting Minister of Finance and of Education in 1933.

Dr. Refik is rotund and beaming behind his enormous spectacles, and is universally popular. Not much seen in public, he is particularly fond of bridge, at which he is an indifferent player. Speaks fair French. Is unconcerned with politics, and is almost exclusively taken up with his work. Is probably a martinet in his Department. Is now, unfortunately, in poor health.

71. *Reşit Saffet.*

Born at Constantinople about 1883. Began life as translator in the Tobacco Régie. Later entered the Ministry for Foreign Affairs, and was secretary in the Legations at Bucharest, Washington, Madrid and Tehran. During this period became a member of the C.U.P. On the outbreak of the revolution of 1908 was appointed Director of the Private Council of the Ministry of Finance, and became secretary to the Minister, Cavit Bey, who, at various times, sent him as propagandist agent to London, Paris, Rome, and, particularly during the Great War, Vienna and Berlin. On the signature of the armistice in 1918 became counsellor of the Turkish Legation at Berne, where he engaged in pan-Islamic agitation and wrote anti-British articles in the local press. On his return to Constantinople in October 1919 opened a branch of the Swiss Society for the Defence of Ottoman Rights, and became one of the directors of pan-Islamic activity. Later he turned to pan-Turanianism, and became one of the most indefatigable discoverers of affinities between the Turkish race and the principal civilised peoples of the world. Worked for the extreme wing of the Nationalist party, but in 1921 lost the favour of Mustafa Kemal for a time. In October 1922 was appointed secretary-general of the Turkish Peace Delegation at Lausanne. In 1925 was adviser to Turkish delegate for the liquidation of the International Board of Health, and showed himself pugnacious and occasionally insolent. Made grave accusations against the British delegate, and was obliged to resign. Elected Deputy for Izmit in September 1927, and member of the Commerce Committee of the Assembly in November. In June 1928 was one of the Turkish delegates to the International Inter-Parliamentary Congress at Paris, and visited Russia in 1929, returning much impressed by his experiences. In October 1930 he went as member of the Turkish delegation to the Balkan Congress at Athens, and in January 1931 to the Balkan Conference at Salonica. Is president of the Turkish Touring Club, in which capacity he has done much to secure the abolition of some of the more troublesome restrictions on the movement of foreigners, and, since November 1930, a member of the Finance Commission of the Assembly. In the autumn of 1931 represented Turkey at Orientalists' Congress at Leyden, and Parliamentary Congress at Bucharest, and was one of the Turkish delegates at the Second Balkan Conference, held in Constantinople. Elected member of Accounts Committee of Assembly in November 1932. Represented Turkey at International Touristic Congress at Cairo in February 1933, and was a delegate to Fourth Balkan Conference at Salonica in November.

Reşit Saffet speaks French and understands German. Is well versed in finance and very ambitious. Has been described as a man of no character, and is not above making improper advances, when under the influence of liquor, to distinguished female visitors.

72. *Ruşen Eşref.*

Born in 1893 at Constantinople. Before the war taught in the English boys' school in Constantinople. Was associated with Mustafa Kemal from the inception of the Nationalist movement, and was a member of the first Angora Assembly. Has been a Deputy for Afyon Karahisar since 1923. Has never occupied any prominent official position, but has for some years been one of the Gazi's most intimate friends. 1925-27, was secretary of the Assembly Foreign Affairs Commission, and for the last four years has been the chief secretary of the Assembly. In the summer of 1927 he represented the Turkish press at an international congress in London, whence he returned deeply impressed by English education, industry and culture. In June 1928 was a delegate to the International Parliamentary Congress in Paris, and on his return took a prominent part in the campaign for the reform of the alphabet. Was one of the Turkish delegates at the Balkan Congress at Athens in October 1930, and secretary of the Balkan Conference at Constantinople a year later. Took prominent part in organisation of First Turkish Linguistic Congress at

Constantinople in September 1933. Member of Turkish delegation to Third Balkan Conference at Bucharest in October 1932. Appointed Secretary-General to the Presidency of the Republic October 1933, when he resigned his deputyship. Fell suddenly, in March 1934, from the President's favour, in consequence, it is believed, of a quarrel with Recep, and was sent soon afterwards, practically in disgrace, as Minister to Albania. In October, however, was appointed Minister to Athens, a post for which, in view of his great interest in the classics (though innocent of either Latin or Greek) he is particularly suited.

Ruşen Eşref is an attractive personality. He is cultured and speaks remarkably well. Has read extensively and is extremely intelligent, but is probably constitutionally lazy, and, though fond of writing and gifted with great fluency, tends to work in spurts. Has lately been engaged on translating standard Western authors. While accused by some of insincerity, he is excellent company, is very fond of bridge, and has a pleasant wife, whose comparative good looks and other attractions placed her in the forefront of the ladies in Angora society.

73. *Sabri, Mehmet.*

Born about 1883. Before the war was a small post office employee. During the war was secretary-general of the Committee of Union and Progress, and for his activities in this connexion was deported to Malta in 1919. He returned, and became in 1922 Director of Posts and Telegraphs at Angora, and went to Germany, where he studied wireless. In July 1923 elected Deputy for Saruhan (Manisa), and in August became first Vice-President of the Assembly. In March 1925 became Minister for Agriculture. He was re-elected Deputy in September 1927, but ceased to hold office in November on the suppression of the Ministry of Agriculture as a separate department. In the same month he became a member of the Assembly Budget Commission, and in November 1929 chairman of the Assembly Accounts Commission. In February 1929 was appointed Minister at Bucharest, but resigned in 1930 in order to become a Deputy again. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930, and next month was elected member of the Foreign Affairs Commission of the Assembly. Was a member of the Turkish delegation at the Second Balkan Conference held at Constantinople in October 1931.

Sabri has a rough but genial manner. He has great ideas about developing agriculture in Turkey. In November 1925, during a visit to Moscow, he gave evidence of strong pro-Russian sentiments.

74. *Saffet (Kam).*

Born about 1885. A former staff colonel. Was on the staff of Izzet Pasha in the Yemen in 1912. During the war served at Gallipoli and in Mesopotamia. In 1920 was military attaché at Moscow. In July 1923 elected Deputy for Izmit. From March 1925 until March 1931 was secretary-general of the People's party, and as such exercised much power and influence. He had complete control over the party, and was responsible for the arrangements for the complete success of the Kemalist nominees in the general election of September 1927, he himself being returned for Erzincan. In November 1927 he became president of the Foreign Affairs Commission of the Assembly, and in the same month he headed a Turkish mission to Moscow for the celebrations in connexion with the tenth anniversary of the Soviet revolution. From there went on to Paris and London. In the autumn of 1930 and winter of 1931 was busily engaged in reorganising the Popular party. Appointed head of Department in Council of State in 1931. Elected secretary of the National Defence Committee of the Grand National Assembly in November 1933. In March 1934 was elected Vice-President of the "Franco-Turkish Friendship" group of the Grand National Assembly.

Saffet is probably a dönme (Islamised Jew), and is extremely capable, but is possibly just as untrustworthy. He is, however, friendly and sociable and a good bridge player. He is a close friend of the President of the Republic, but is less prominent since he ceased to be secretary-general of the party.

75. *Salih.*

Born in 1881. Passed through the military school and was a great friend of Mustafa Kemal, both then and after. Was with him at Tripoli in 1911.

Joined the Nationalist movement at the outset and became chief A.D.C. to the President. In 1923 was elected Deputy for Yozgat, and continued to be one of the Gazi's boon companions. In 1926 began to show nervousness regarding the future. In March 1927 was involved in a brawl with Kilič Ali Bey, arising out of baksheesh for Swedish railway concession, and was shot in the leg. By this time his influence was on the wane. In June he suddenly returned to favour and was in close attendance on the Gazi at Constantinople during the summer, as also during the summer of 1928. Re-elected Deputy for Yozgat in September 1927, and since November of that year has been a member of the National Defence Commission of the Assembly. In April 1931 elected Deputy for Ertuğrul (Bilecik).

Salih speaks only Turkish, but is pleasant to talk to. Is a hard drinker.

76. *Suat.*

Born in 1878. Studied law in Paris, and in 1912 became secretary at the Sublime Porte. Was a protégé of Talat Pasha, and quickly became head of the Consular and Commercial Department. During the armistice was Director-General of Administration at the Porte, but resigned on the fall of Ferit Pasha. In 1923 became Under-Secretary for Foreign Affairs at Angora, and in 1924 representative at Rome. Appointed Ambassador there in April 1925, and was always on good terms with His Majesty's Ambassador. Transferred to Paris in May 1932.

Suat has at Angora the reputation of being a somewhat aggressive and tiresome person to deal with.

77. *Şakir.*

Born at Veles (Macedonia) about 1882. Educated at Constantinople, and early entered the service of the Ministry of Interior. Was for a time secretary of the Adrianople Vilayet and later became Kaimakam of Ardahan. Became Deputy for Gallipoli in 1920, and throughout the armistice was one of the moving spirits of the Kemalist movement in Thrace. In 1921 was the unofficial Kemalist agent in Sofia, but continued to devote most of his attention to the Thracian movement. In October 1922 he was appointed Vali of Adrianople and established the Kemalist Administration there. Early in the following year he transferred his activities to Constantinople, of which he was for a time Vali. Has been Deputy for Adrianople since 1923, and for the last three years chairman of the Budget Committee of the Assembly. He is also a member of the executive bureau of the People's party. In May 1929 became Minister of National Economy, but lost the appointment on the re-formation of Ismet Pasha's Cabinet in September 1930. Elected president of the Economic Committee of the Grand National Assembly in November 1932.

Şakir is a man of wide education, speaks several European languages and has travelled much in Europe. He has some reputation as an administrator, and for the last few years has taken a prominent part in Turkish financial and economic matters, being connected with the Alpullu sugar refinery.

78. *Secki, Ali.*

Born in Constantinople about 1884, the son of a major-domo of Tevfik Pasha, who saw to the education of his retainer's son at the Galata Saray College, and in 1905 secured him a post in the Foreign Ministry. Accompanied Tevfik Pasha on a mission to Vienna, Berlin and St. Petersburg in 1909. Returned to the Ministry and in 1914 became private secretary to the Minister for Foreign Affairs, holding this post throughout the war. Accompanied Tevfik Pasha to the Paris Peace Conference in 1920 and was later in the year appointed Minister at Stockholm. In 1922 was Under-Secretary for Foreign Affairs under Izzet Pasha in the last Constantinople Government till the collapse of the latter in November. Angora having need of his services, he was summoned to the capital; in 1925 was head of the Commercial Section of the Foreign Ministry, and in August 1926 became Under-Secretary, holding this post till September 1927, when he was elected Deputy for Tokat. In November he became a member of the Budget Commission of the Assembly. For the last few years he has been chief Turkish delegate for the negotiation of commercial and consular conventions with foreign States. Was not re-elected Deputy in the general election of April 1931, and was soon

after appointed chief Turkish delegate on the Græco-Turkish Mixed Exchange Commission. Appointed Minister at Madrid in January 1933. Transferred to Sofia in April 1934.

As his record shows, Sevki owes everything to his venerable patron, Tevfik Pasha. He is short and uninspiring, but has a certain capacity. Became much more expansive and affable after his election as a Deputy. Enjoys imperfect health.

79. *Sevki, Mehmet Ali.*

A grandson of Gazi Muhtar Pasha, who was Turkish High Commissioner in Egypt before the war. Served in the Turkish Embassy in London, as secretary and counsellor, for about eleven years. In December 1930 was transferred to Angora as Director of the Second Section of the First Department which dealt with British Empire affairs. Went to Cairo as Chargé d'Affaires in 1931, and appointed Minister there in January 1933.

Sevki was made a pasha by Abdul Hamid at a very early age, in order to console him for the breaking off of his engagement to a Turkish princess. Is fair and English looking, has good manners and speaks English exceedingly well. Is unmarried and of a retiring disposition, but was much liked in London. Plays golf, and is generally very English in his tastes and general outlook.

80. *Şükrü, Saracoğlu.*

Born about 1885. Nothing known of his early history. Since July 1923 has been a Deputy for Smyrna. December 1923 became president of Foreign Affairs Commission of Assembly. November 1924 to March 1925 was Minister of Public Instruction in Fethi Bey's Cabinet. In July 1925 became chief Turkish delegate on the Commission for the Exchange of Populations. In this capacity visited Geneva in December 1926, and in the same month signed the Turco-Greek Convention. In May 1927 he was given charge of negotiations for purchase of Anatolian Railway, which was concluded in December 1928, and in November, when Ismet Pasha reconstructed his Cabinet, he became Minister of Finance. As such he was intimately concerned in the Ottoman Public Debt settlement of 1928. In 1930 he came in for much criticism in connexion with the Turkish financial crisis, and one of Fethi Bey's principal objects in founding the new Liberal party was to get rid of him as Minister of Finance. In this he failed, but Sükrü Bey resigned in December on account of ill-health. In October 1931 was sent on a special mission to the United States of America ostensibly to get into touch with American business circles, but really in the hope of obtaining American financial co-operation in Turkish public works. Early in 1932 resumed in Paris negotiations with bondholders in consequence of Turkey's inability to continue payments agreed on in 1928, and in April 1933 signed a new agreement more favourable to Turkey. Appointed Minister of Justice in May.

Sükrü Saracoğlu is delicate in appearance, and is probably a Moderate. Is believed to be very capable, has plenty of drive, is popular and was on excellent terms with his Greek opposite number in exchange matters. He has acted as Minister for Foreign Affairs during one of Tevfik Rüştü's numerous absences abroad.

81. *Şükrü Kaya.*

Born about 1884 at Kos, where he still owns property. Before the war was an official of the Ministry of Justice, and in 1914, as a civil inspector, accompanied the Embassies' delegates who enquired into the Greek deportations around Smyrna. Was then of advanced ideas and a protégé of Talat Pasha. Was deported to Malta in the early armistice, and on his liberation identified himself with Mustafa Kemal. Was a member of the Turkish delegation to the first Lausanne Conference. Mayor of Smyrna in 1923, when he was a failure. In July 1923 elected Deputy for Mentese, which he still represents. In March 1924 charged with deposit of the ratification of the Lausanne Treaty, and went to Paris and Berne. In the same month became president of the Foreign Affairs Commission of the Assembly. In August became Minister of Agriculture, and in November Minister for Foreign Affairs. Resigned in March 1925 and was reappointed president of the Foreign Affairs Commission of the Assembly, holding this post till the autumn of 1927. During this period he exercised

considerable influence over Turkish foreign policy. In November 1927, on the reconstruction of Ismet Pasha's Cabinet, he became Minister of Interior, and quickly effected drastic administrative changes, more particularly in the eastern provinces, where he caused the military régime to be suppressed in December. Acts for Minister for Foreign Affairs during Tevfik Rüştü's frequent visits abroad.

Sükrü is a coarse but vigorous personality, and is by no means unintelligent. Not too well liked by other leading Turks, who regard him as a poseur. Is a hard drinker and an intimate counsellor of the Gazi. Has a wife, who now speaks fair French and is more often seen in diplomatic society than formerly.

82. *Şükrü Nayli, General.*

Early history unknown. Elected Deputy for Kirklareli (Kirk Kilise) in 1923. In October of that year was in command of the Turkish troops which entered Constantinople after the Allied evacuation, and remained in command of the IIIrd Army Corps stationed at Constantinople. In October 1924 resigned his deputyship on opting for military duties. Promoted Divisional General in August 1926. Was transferred to the Balikesir command in 1934, but resigned before the end of the year.

General Sükrü Nayli had the reputation of being an intelligent and up-to-date soldier, with pleasant manners and a European outlook; and more may be heard of him now that he is free to return to parliamentary life.

83. *Tevfik, Colonel.*

Born about 1880. Mother a Bagdadi, father a Turk. Left the military school in 1908 and, in view of his marked intelligence, proceeded direct to the Staff College, whence he graduated in 1912. In 1914 he was appointed to the staff of the 19th Division, where he served under Mustafa Kemal. Later, he served in the Caucasus, and was on the staff of Ismet Pasha in Palestine. Joined the Nationalist movement at the beginning, and was appointed to the General Staff of the Ministry of National Defence, with rank of colonel. Was Turkish military adviser at the Lausanne Conference 1922–23. In June 1924 became secretary to the President of the Republic, and held this post till November 1927 in spite of Ismet Pasha's efforts to appoint him to various missions abroad. He represented Turkey at the Arms Traffic Conference at Geneva in the early summer of 1925. In November 1927 was appointed Ambassador in Moscow, but only remained there till May 1928, when he was at Angora in attendance on the King of Afghanistan, whom he accompanied to Tehran. He there signed the Turco-Persian Neutrality Protocol, and on his return resumed his duties as private secretary to the President, who refused to be without him. In November 1930 he was a member of the Turkish delegation at the Geneva Preparatory Disarmament Conference, and again in February 1932. Suddenly fell from favour in March after mysterious quarrel with the Gazi, and has since been living in disgrace at Constantinople.

Colonel Tevfik is tall, fat and pleasant, and was, until his fall, completely identified with Mustafa Kemal. He speaks German, Russian and French. Always affable, his relations with the British delegates at Lausanne were very cordial. He is married.

84. *Tevfik Kâmil.*

Born in 1889 at Salonica and educated there. A career diplomat. Studied law in Paris until 1911, and entered diplomacy after teaching for some time at Stambul University. He was second secretary to the Turkish delegation at the Second Lausanne Conference in 1923, and on his return to Angora became Under-Secretary for Foreign Affairs. As such he was charged with the negotiations of friendship treaties with several foreign countries, and gradually exercised increasing influence. Resigned in October 1925 on his election as Deputy for Constantinople. In 1926 he became a member of the Foreign Affairs Commission of the Assembly, and by his expert knowledge made his influence felt. In 1927 he was responsible for the drafting of a new and very important law on Turkish nationality. Represented Turkey at an International Cattle Plague Conference at Adana in November 1927. Elected one of the quæstors of the

Assembly a year later. Soon afterwards succeeded Cemal Hüsnü Bey as chief Turkish delegate on the Mixed Exchange Commission, where he was a great improvement on his predecessor. Is a hard worker, and a tower of strength to the Foreign Ministry, with which he is always in close contact. In April 1931 was appointed Minister at Sofia, where, according to the Turkish press, he was active in prosecuting local Turkish journalists for anti-Kemalist publications. In October 1933 he confided to His Majesty's Minister that he was practically in exile at Sofia, and that he was thoroughly disgusted with Mustafa Kemal and his régime. Transferred to Madrid, as Minister to Spain and Portugal, in April 1934.

Tevfik Kâmil is without doubt very capable. He is, however, shy and reserved, but when better known is pleasant in conversation and ready freely to express his views on questions which interest him. He is married.

85. *Tevfik Rüştü (Aras).*

Born about 1885. Doctor in the sanitary service. In 1909 was secretary-general of the Committee of Union and Progress Congress then held. Served as a doctor during the Balkan War, and was made prisoner by the Serbs. In 1920 was a member of a mission to Russia, and later, during the Nationalist movement, was the director of an Angora newspaper. Elected Deputy for Smyrna in July 1923, was secretary of the Foreign Affairs Commission which considered the Lausanne Treaty. Later in the year was appointed president of the Turkish Commission for the Exchange of Populations, and early incurred criticism because of his alleged failure adequately to protect Turkish interests. Resigned in September 1924 over the "établis" issue, but subsequently withdrew his resignation and resumed negotiations for the conclusion of a Turco-Greek agreement. In March 1925 became Minister for Foreign Affairs. Proceeded to Europe on various missions, particularly in connexion with the Mosul question, and signed the Angora Treaty in June 1926. During the summer of 1926 his position was weakened owing to his relationship (brother-in-law) with the late Dr. Nazim, whose death sentence he endeavoured to have commuted, but this effect was apparently only temporary, and he again seemed fairly established when he met M. Chicherin at Odessa in November. During the following months rumours of his impending resignation were current, but these proved unfounded, and he retained his portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In March 1928 attended the Preparatory Disarmament Conference at Geneva, and during the year his position seemed to become steadily stronger. In September 1930 paid an official visit to Moscow. In November headed the Turkish delegation to the Preparatory Disarmament Conference at Geneva, and in December visited Signor Mussolini at Rome and was received by the King. Was the moving spirit on the Turkish side in the Græco-Turkish rapprochement which led to M. Veniselos's visit to Angora in October 1930, when the treaties were signed, and his own and the Prime Minister's return visit to Athens in October 1931. In January 1932 went to Tehran to sign frontier agreement, and in February led Turkish delegation to Disarmament Conference at Geneva. Was elected vice-president of Naval Commission of conference. In April and May paid official visits to Moscow and Rome with Ismet Pasha. Again led Turkish delegation to Disarmament Conference in January and April 1933, and to Economic Conference at London in June. Displayed great political activity during 1934, chiefly in connexion with the Balkan Pact, which he signed on behalf of Turkey at Athens on the 9th February.

Tevfik Rüştü is dishevelled in appearance and veils his features behind monumental dark glasses. He is so volatile and voluble that he appears inane. His real influence on Turkish foreign policy is difficult to determine, though his subservience to Ismet Pasha in public lends colour to the theory that he is content for the most part to take his orders from his superiors. Has an unattractive wife, who has succeeded in learning a little French, and a pleasant, though very strictly brought-up, daughter, who has recently been married to a junior member of her father's Ministry.

86. *Vasif.*

Born in Smyrna about 1885, of Kurdish parents who had been forcibly transported from Eastern Anatolia. In 1923 became Deputy for Saruhan and Public Prosecutor of Independence Tribunal sent to Constantinople. In March

1924 became Minister of Public Instruction, resigning in November. June 1925 Minister at Prague and, November 1927, at Budapest. In November 1928 became Ambassador in Moscow, but in January 1929 was elected Deputy for Smyrna and resigned his post. In February became Minister of Public Instruction for the second time, but resigned in April. Represented Turkey at the International Parliamentary Conference at Berlin in August. Was a member of the Foreign Affairs Commission and one of the Vice-Presidents of the Assembly. Suddenly appointed Ambassador at Rome, to his great joy, in May 1932, when he resigned his deputyship. Transferred back to Moscow in July 1934.

Vasif is tall and heavy in appearance. Is loud and genial, and something of a bully on occasion. Has shown conspicuous friendliness to His Majesty's Embassy, and was reputed to be the leader of the Anglophil camp. Was one of the Gazi's boon companions until his appointment to Rome, but Mustafa Kemal's treatment of him at a public function at Angora in December 1933 seemed to indicate that he was no longer a favourite.

86A. *Yakup Kadri.*

Born about 1880. A journalist by profession, and the author of a number of novels. Elected Deputy for Maraş in 1923 and for Mardin in 1927. In the same year he was elected a member of the Foreign Affairs Commission of the Assembly, and his influence at Angora, until then slight, began to increase. Was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris in June 1928, and to the (first) Balkan Conference at Athens in October 1930. In April 1931 was elected Deputy for Manisa, and in October was one of the Turkish delegates to the (second) Balkan Conference at Constantinople. Was one of two Turkish delegates to Journalists' Congress at Moscow in the summer of 1934, and in October resigned his deputyship on being appointed Minister to Albania.

Yakup Kadri is small and undistinguished in appearance, and of a delicate constitution. His wife is pleasant, and speaks English.

87. *Yunus Nadi.*

Born in 1878. Educated in Rhodes. Became a protégé of Abdin Pasha Dino, who put him in charge of his farms, but dismissed him after two years because of abuses. Emerged from obscurity in 1908 and became one of the Committee of Union and Progress members for Smyrna in the Chamber of Deputies. In 1911 became editor of the Committee of Union and Progress *Tasviri Efkâr*, and in 1916 started the *Yeni Gün*. In 1908 received £T. 30,000 from the secret Committee of Union and Progress funds. Was imprisoned soon after the armistice, but was soon released, and published attacks on the Allies in his newspaper. On occupation of Constantinople in March 1920 he escaped to Angora, having for some time previously been in touch with Mustafa Kemal. Began publishing his paper there, and became Deputy for Smyrna. In February 1921 was a member of the Angora peace delegation to Rome, Paris and London. In the autumn he fell foul of Mustafa Kemal because of his sympathy with Enver, but in 1922 was received back into the fold, and for some time was president of the Foreign Affairs Commission. Throughout this period he wrote many Russophil articles, and was a bitter Anglophobe. Has been Deputy for Menteşe (Mugla) since 1923. In 1924 started the *Cumhuriyet* in Constantinople, and soon after the *Yeni Gün* ceased publication. Since 1923 has been president of the Constitution Commission of the Assembly, and, 1926–27, was also a member of the Foreign Affairs Commission. In 1927–28 took the leading part in an enquiry into the peculations of the former Ministers of Marine and Commerce—a curious selection. Spent the summer of 1928 in Russia and Germany, and, on his return, markedly displayed his Russophil sentiments. In November became member of executive bureau of Popular party. In 1929 again visited Germany several times. During the summer of 1931 engaged in the scurrilous press controversy with journalists of the Opposition, which led to the stringent press law of the 24th July, directed against the latter. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens in October. In December 1931 became chairman of the board of directors of notorious drug factory at Constantinople, since suppressed as part of anti-narcotic campaign instituted by the Gazi, with whom he seems to have lost influence.

Yunus Nadi is short and stout and wears pince-nez. He is intelligent and Turkey's best leader-writer, but is ready to tack to any wind; is an excessive drinker and an unscrupulous scoundrel, whose general behaviour disgusts even the Turks.

88. *Yusuf, Akçura.*

Born about 1870 at Simbirsk in the Kazan Tartar region. Emigrated as a child to Turkey, where he received his early education. While still a youth was banished to Tripoli, whence he made his escape with Ferit Bey (*q.v.*) to Tunis and France. Studied in Paris, and, on returning to Turkey, worked as a journalist, and was in close touch with Enver. Was a sedentary worker during the Turkish War of Independence. Elected Deputy for Constantinople in 1923 and again in 1927, when he also became member of the Constitutional Commission of the Assembly. Was about that time a leading member of a group of *intelligentsia*, which it was thought might crystallise into an Opposition. Though he did not join Fethi Bey's Liberal party in 1930, there are indications that his critical attitude towards Government policy persisted unchanged. Elected member of the Economic Commission of the Assembly in November 1930. He was closely connected with the development of the Turkish Ojak movement, and is a leading authority on pan-Turanianism and the Turkish communities outside Turkey. Re-elected Deputy for Constantinople in April 1931.

Yusuf has at least once visited London, and is married to a sister of a former Turkish Ambassador there (see under "Ferit" above). Is a man of considerable culture and some distinction of personality.

89. *Yusuf Kemal (Tengirşenk).*

Born in 1878 at Sinop. Entered the military school, but transferred in 1901 to the school of law, from which he graduated in 1905. Practised in Constantinople and was for a short time Deputy for Kastamoni, but in 1909 joined the Opposition. In 1910 resigned his seat and spent the following two years in Paris studying law. Throughout the war practised as a barrister in Constantinople. October to December 1919 was Under-Secretary for Justice, and on being sent on a mission of reconciliation to Anatolia, was won over to the Nationalist cause and did not return to Constantinople. Became Minister of Economics early in 1920. In 1920–21 proceeded on mission to Moscow and Tiflis and attended the Baku Congress. Became Minister for Foreign Affairs in May 1921, and throughout his tenure of office was in close touch with Moscow. Proceeded to Paris and London as head of the Angora peace delegation in March 1922. Resigned in October, nominally on grounds of ill-health. In July 1923 was elected Deputy for Sinop, and in the following month was president of the Foreign Affairs Commission, which examined the Lausanne Treaty. In January 1924 became Turkish Ambassador in London, but resigned in May on opting for his deputyship. In November was a rival candidate to Kâzim Pasha for the presidency for the Assembly, but was defeated, and for a time took no prominent part in political life, being understood to be out of sympathy with the President of the Republic. From 1925–27 he was, however, reporter of the Justice Commission of the Assembly, and in 1927 accompanied the Minister of Justice to The Hague in connexion with the "Lotus" affair. He was re-elected Deputy in September and is now a member of the Economic Commission of the Assembly. In September 1930 became Minister of Justice in Ismet Pasha's new Cabinet, and again in May 1931. Resigned office in May 1933, ostensibly for reasons of health, but really, according to rumour, owing to dissatisfaction at non-removal of Court of Appeal from Eskişehir to Angora.

Yusuf Kemal is a good speaker and nourishes Bolshevik sympathies, but only in so far as these do not clash with his ideals of Turkish nationalism.

90. *Zekâi (Apaydin).*

Born in Bosnia in 1878. A graduate of the Mülkiye School and became kaimakam and mutessarif. Was Deputy for Adana in the first Angora Assembly, and in 1921 was a member of Bekir Sami Bey's peace delegation to London. In the following year Turkish economic expert at the Lausanne Conference. Was a member of the Independence Tribunal.

Elected Deputy for Aydin in July 1923, he became Minister for Agriculture in March 1924. In September was appointed Ambassador to London, but was recalled early in 1925 owing to his having, on his own account, proposed a direct deal over Mosul, which he was instructed by Angora to withdraw. In May was appointed Ambassador at Moscow, and in November 1926 was present at Odessa at the interview between M. Chicherin and the Turkish Minister for Foreign Affairs. Resigned in September 1927 on his election—possibly not of his own volition—as Deputy for Diyarbekir. A member of the Foreign Affairs Commission of the Assembly. In 1929, when all Powers were obliged by the denunciation of the Commercial Treaty of Lausanne to negotiate fresh treaties, was appointed chief of the delegation for the negotiation of commercial treaties. Appointed Minister of Public Works in Ismet Pasha's new Cabinet, September 1930, and Minister of National Defence in December 1930 and again in May 1931.

Zekâi carries under a mop of grey hair a perpetual expression of puzzled benignity. He is an industrious worker and a good chief, but of so narrow an outlook as to drive his subordinates to the verge of despair. He has been reported as being anti-British in sympathy in the past, and when in London alienated Turkish sympathisers by his lack of courtesy towards them. During the negotiation of the Anglo-Turkish Commercial Treaty he was, though slow in the uptake, friendly and helpful in finding the way of compromise. Is no conversationalist.

91. *Zeki Mesut.*

Born at Aydin in 1889. Graduated from the Constantinople Mülkiye (Civil) College in 1910. Was employed in various financial capacities and twice went to Europe as a student inspector. In 1926 became member of the Council of Education, and in 1927 director of the Mülkiye College. In September of that year was elected Deputy for Adrianople, and in November secretary of the Foreign Affairs Commission of the Assembly, of which commission he is still a member. In 1929 took an increasingly prominent part in the discussion of foreign affairs, on which subject he contributed numerous articles to the semi-official press. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930. Elected Deputy for Diyarbekir in April 1931.

Zeki Mesut wears behind his glasses the strained expression of a short-sighted man who refuses to wear any. He is friendly, but not unduly communicative. He speaks good French.

[**E 299/299/34**] No. 9.

Mr. Knatchbull-Hugessen to Sir John Simon.—(*Received January* 14, 1935.)

(No. 569.)

Sir, *Tehran, December* 28, 1934.

WITH reference to despatch No. 22, addressed to you by His Majesty's Chargé d'Affaires at Angora on the 13th January last, I have the honour to report that the instruments of ratification of the Treaty of Friendship between Persia and Turkey, which was signed at Angora on the 5th November, 1932, and ratified by the Majlis on the 11th January last, were exchanged at Tehran on the 23rd December.

2. I am sending a copy of this despatch to His Majesty's Ambassador at Angora (No. 142 M).

I have, &c.
H. M. KNATCHBULL-HUGESSEN.

[**E 381/50/44**] No. 10.

Sir G. Clerk to Sir John Simon.—(*Received January* 18.)

(No. 90. Confidential.)

Sir, *Paris, January* 17, 1935.

IN your despatch No. 67 of the 9th January you instructed me, if I saw no objection, to endeavour discreetly to check the statement made recently to His Majesty's Ambassador at Angora by the Turkish Minister for Foreign Affairs to

the effect that the relations between France and Turkey were now so close that it would be possible in any crisis threatening a disturbance of the peace to sign without delay a pact of mutual assistance, thus transforming a moral into a juridical obligation.

2. As there was every reason to believe that the Ministry for Foreign Affairs would readily furnish the desired information, the simplest course seemed to be to ask them direct. M. Léger, to whom the question was addressed, laughingly replied that evidently M. Tewfik Rüştü Aras's imagination was even more fertile than he had believed. There was, of course, no foundation for his statement to Sir Percy Loraine. What had occurred was this: M. Tewfik Rüştü Aras, as we were aware, had intimated that he was anxious for Turkey to play a more important part in European affairs, and had appealed for her inclusion in any arrangements designed to consolidate peace in Europe. He had wanted her to participate in the Eastern Pact of Mutual Assistance. Subsequently, he had made a determined effort to obtain her inclusion in the Central European Pact for the maintenance of the independence and integrity of Austria. The conclusion of the Rome agreement, M. Aras had explained, would not be very agreeable to Turkey unless she were a party; the relief which it would afford to Italy by minimising the risk of an Italo-German conflict would increase *pro tanto* her potential menace to Turkey.

3. When it had been explained to him successively that Turkey could be admitted to neither of these pacts owing to their strictly regional character, the Turkish Minister for Foreign Affairs, M. Léger continued, had then urged that Turkey be brought into some tripartite arrangement with France and Yugoslavia. That also the French Government had had to refuse since it would be out of harmony with the French policy of organising security on a regional basis within the framework of the Covenant. Foiled in these hopes, Tewfik Rüştü had finally appealed for a Franco-Turkish agreement. Once again the French Government had had to disappoint him. It was obviously impossible for France to commit herself to a pact of mutual assistance with Turkey; nor would any agreement of an anodyne character, such as France could offer, afford adequate satisfaction to Tewfik Rüştü's ambitions. The only solace, therefore, that could be given to him was a promise, so far as France was concerned, that Turkey should figure in the Mediterranean Pact which had been so often mooted and which it was hoped might be concluded before long. Unfortunately, it was clearly out of the question to approach the negotiation of a Mediterranean Pact so long as the Eastern Pact and the agreement relating to Austria remained unconcluded. It was, therefore, necessary to keep Tewfik Rüştü in play, for, if the Turks lost patience, they might, in their anxiety to figure in a more prominent rôle, turn towards Germany and rekindle her hopes of the "Drang nach Osten." For that reason, every effort had been made, and would continue to be made, to be as agreeable as possible to M. Tewfik Rüştü Aras and to encourage him to hope that the day was not far distant when Turkey might take her share in the arrangements for the pacification of Europe.

4. Beyond that, M. Léger said, nothing whatever had occurred. He seemed gratified to learn that the efforts to keep Tewfik Rüştü in play had been so far successful as to cause him to draw on his imagination as he had done in his remark to Sir Percy Loraine.

I have, &c.
GEORGE R. CLERK.

[**E 477/30/44**] No. 11.

Consul, Geneva, to Sir John Simon.—(*Received January* 22.)

[By Bag.]

(No. 13. Saving.)

(Telegraphic.) *En clair.* *Geneva, January* 21, 1935.

FOLLOWING from Mr. Eden:—

"I had conversation with Turkish Minister for Foreign Affairs this morning, when, after some discussion of Pact of Rome and dispute between Persia and Iraq, we spoke of Turkish naval proposals. I told Tevfik Rüştü

that we had considered the proposed Turkish and Greek naval construction programmes so far as they were known to us, and that we could see no reason to modify the point of view which had already been expressed to him by His Majesty's Ambassador. We feared lest naval construction by Turkey and Greece would have unfavourable reactions in Rome, and would only result in the end in further Italian construction. This, in its turn, would make more difficult Franco-Italian naval agreement, which we were most anxious to see realised. The extent of the reaction on Italy would, of course, depend on the types which Turkey intended to build. I added that I felt confident myself that the fears of the Turkish Government in respect of Italian naval construction were exaggerated, and that Italy's intentions were entirely pacific. I concluded that if, despite all we had to say in the matter, Turkish Government were still determined to build the ships, the Admiralty would, I was confident, be ready to place the Turkish Government in touch with firms in our country. There could, however, be, of course, no question of special financial facilities by His Majesty's Government.

"Tevfik Rüştü replied that his Government had once again carefully considered the position, and they did not feel that they could abandon their programme. There was no intention, however, of hurrying matters unduly, and if any naval agreement were reached, they would always be ready to stop construction. This modest programme was a reply to recent Italian building, notably the laying down of the 35,000-ton ship. He fully agreed with me that there was no danger of anything in the nature of aggressive military action by Italy against Turkey. None the less, Turkey could never be content to endure any hegemony in the Mediterranean, and the modest proportions of the Turkish programme were in themselves a guarantee of its defensive character. Turkish requirements would be in three categories:—

"(1) Submarines.—Turkish Government had reduced their requirements in this respect, and I understood that the programme finally agreed upon had been or was being negotiated with a Dutch firm.

"(2) A number of smaller coastal vessels.—These would be built by the Turks themselves.

"(3) One large and two or three small cruisers.—Contract for these would be placed either in Britain or in France, whichever was found more appropriate.

"Tevfik Rüştü added that he would not conceal from me that his naval advisers were anxious that the order for the large cruiser, at any rate, should be placed in Great Britain. He thought that our newest type of cruiser, which, he believed, was of 12,000 tons, was the best obtainable. I replied that British cruisers, of whatever size, were always the best! But I repeated that, for our part, we hoped that for wider political reasons the Turkish Government would not place any orders anywhere without careful consideration of the consequences."

(Repeated to Angora, No. 1, Saving (by bag), and Athens, No. 1, Saving (by bag).)

[E 523/25/44] No. 12.

Sir P. Loraine to Sir John Simon.—(*Received January* 24.)

(No. 35 E.)

Sir, *Angora, January* 18, 1935.

I HAVE the honour, with reference to my despatch No. 576 E of the 27th November, 1934, to inform you that shares to the value of £T.2 million of the internal loan for the construction of the Sivas-Erzerum Railway were offered for sale on the 10th January.

2. The shares were offered on terms similar to those governing the Ergani Loan, but bore interest at the rate of 7 per cent., as opposed to 5 per cent. in the

case of that loan. The loan was fully subscribed in the stipulated period of six days.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 716/10/44] No. 13.

Sir E. Drummond to Sir John Simon.—(*Received February* 1.)

(No. 86.)

Sir, *Rome, January* 24, 1935.

WITH reference to my despatch No. 339 of the 20th April last, I have the honour to inform you that, according to the press of the 22nd instant, the Italo-Turkish Commercial Agreement of the 4th April last, to which was annexed a special clearing agreement, has been extended for a further period of nine months. The information has been confirmed to a member of my staff at the Ministry of Corporations, though the National Institute of Foreign Exchanges, which operates the clearing agreement, has not received official intimation of its extension.

2. Italian "frozen" credits in Turkey are considerable, and negotiations are reported to be proceeding with the object of expediting their release. The situation of the clearing on the 17th instant is shown on the enclosed sheet.

3. It is not without interest to note that while imports into Italy from Turkey showed a tendency to increase during the year 1934, Italian exports to that country declined very heavily—by over 60 per cent. According to the official figures for the first ten months of the year, imports from Turkey rose in value from 46 million lire to 57·5 million lire. Italian exports to Turkey, on the other hand, fell from a value of 80 million lire to one of 30 million lire. At first sight, one is led to conclude that the tendency towards a closer equilibrium in the trade between the two countries is due to the operation of the clearing agreement. But an analysis of the items exported to Turkey shows that 80 per cent. of the decline was due to decreased exports of cotton goods. This heavy decrease in a single item was brought about by the stringent quota restrictions imposed by the Turkish Government on imported cotton piece-goods. Italian exports of this commodity to Turkey in 1933 were abnormally high, and when the quota was enforced large quantities of these exports were held up in the Turkish customs and only cleared gradually during 1934; in fact, I understand that some of the goods shipped in 1933 have still not been cleared.

4. Copies of this despatch have been sent to His Majesty's representative at Angora and to the Department of Overseas Trade.

I have, &c.
ERIC DRUMMOND.

Enclosure in No. 13.

Situation of the Italo-Turkish Clearing Agreement on January 17, 1935.

	Lire.
Credits declared by Italian exporters and not yet reimbursed	54,545,032·89
Payments made to the Central Bank of the Turkish Republic and not yet paid owing to lack of funds	24,120,871·94
Existing undertakings of Italian importers for the clearing	4,516,556·11
Funds available for payments to Italian exporters ...	4,894·27

[E 862/862/44] No. 14.

Sir P. Loraine to Sir John Simon.—(Received February 7.)

(No. 47.)

Sir, *Angora, January* 23, 1935.

I HAVE the honour to inform you that the Grand National Assembly recently passed a law containing instructions regarding the nature of examinations to be held in the schools. I transmit to you the accompanying translation of the first three articles of these instructions, which are of interest as showing the subjects which Turkish children are compelled to study.(1)

2. The average age of children in the "ortamektep" (secondary school) is approximately 12–15, and that in the "lycée" approximately 15–18. Bearing this in mind, it will be seen from the instructions that, over and above the normal school curriculum, boys begin courses in military instruction from the age of 13 and continue until the end of their course. A member of my staff has ascertained that this military instruction is given for one hour a week by a military officer, and consists in lectures on tactics, and explanation of the mechanism and use of small arms. Girls are given instruction at the age of 13 in housekeeping, and at the age of 14 in the care of children. There is no special instruction of this nature for girls in the "lycées."

3. It will be noticed that provision is made for instruction in a foreign language. I understand that three foreign languages are taught, French, English and German. Up to two years ago more French was taught than any other language, but to-day almost as much English is taught as French, German being a poor third. Only in very few cases are the children allowed to choose the language which they wish to study; for the most part they are placed, regardless of their subsequent interests, if any, in one or another section. They are not allowed to pass from the study of one language to that of another in the course of their curriculum. One language only is studied throughout. The teaching appears to be very poor. There are four hours of instruction a week, and the classes, containing from fifty to sixty children each, are too large for efficient instruction to be possible.

I have, &c.

PERCY LORAINE.

(1) Not printed.

[E 863/863/44] No. 15.

Sir P. Loraine to Sir John Simon.—(Received February 7.)

(No. 48.)

Sir, *Angora, January* 24, 1935.

I HAVE the honour, with reference to Foreign Office circular despatch of the 1st November, 1934, to inform you that, according to statistics furnished to the press by the office of the Turkish Registrar-General of Births, Marriages and Deaths, the population of Turkey is now 16,720,000.

2. The 1927 census gave the population as 13,660,275, so that the present figures show an increase of approximately 3 million in eight years. Since, however, 628,306 immigrants entered Turkey between the years of 1923–33, the actual increase by birth is approximately 2½ million.

3. In a recent speech, reported in my despatch No. 553 of the 16th November, 1934, the Minister of the Interior stated that the population of Turkey in 1950 would reach a total of 30 million to 35 million exclusive of increase due to immigration. On a basis of the figures now before us, this estimate would appear to be an exaggeration. While it is true that every two people represent a potential five in the next generation (say, twenty-five years), and that the increase is therefore not an arithmetical progression, it may be assumed that the process of increase which has been at work between the years 1927–35 has been normal, and will therefore provide fair grounds for a calculation based on the principle of compound interest. Thus, the population in 1927 was approximately 14 million, and eight years later, in 1935, approximately 17 million, an increase of 21·5 per cent. Eight years later, in 1943, the population should therefore be 121·5 per cent. of the 1935 population of 17 million, or 20,635,000, and,

similarly, in 1951, 25,081,525, which is substantially less than the figure estimated by M. Şükrü Kaya.

4. It must, however, be borne in mind that a source of abnormally rapid increase in population comes from improved conditions of sanitation and facilities for proper medical treatment. This affects principally the urban areas which are, of course, the main centres of population as opposed to the rural areas which are sparsely populated in Turkey. I learn in this connexion that the Turkish Government have been encouraging the establishment of ante-natal clinics, owing to the lack of which the rate of infantile mortality has hitherto been extremely high in this country. Even taking into account these facts, it would seem that the Minister is unduly optimistic in his estimates.

5. The substantial fact which emerges from these figures and statements is that Turkey is much preoccupied by an attempt to increase her population, even to the degree of wishing to represent it as increasing more rapidly than is actually the case. This, while naturally based on a resolution to display to the world a populous Turkey, able to furnish a numerous army, is no new device on the part of the present Turkish régime, which has always been at pains to make out that the almost uninhabited wastes of the Anatolian uplands are but a figment of the imagination of foreign (principally Italian) Governments, anxious to find justification for the eventual execution of their predatory designs.

I have, &c.

PERCY LORAINE.

[E 866/866/44] No. 16.

Sir P. Loraine to Sir John Simon.—(Received February 7.)

(No. 52.)

Sir, *Angora, January* 28, 1935.

I HAVE the honour, with reference to your telegram No. 1 of the 1st January, to inform you that H.M.S. *London*, flying the flag of Rear-Admiral (since promoted to Vice-Admiral) im Thurn, C.B., C.M.G., C.B.E., and commanded by Captain F. H. W. Goolden, arrived at Constantinople from Varna on the 17th January for an informal visit of three days. Permission had previously been obtained from the Turkish authorities for the ship to obtain *pratique* at Constantinople instead of stopping at Büyükdere, and for the unrestricted use of her wireless telegraphy during her stay.

2. The usual formal exchange of visits took place on the ship's arrival, but on this occasion no wreath was laid on the monument of the republic at Taksim.

3. I went to Constantinople in order to be present during the visit and entertained the admiral, captain and some of the officers to small informal meals and an informal cocktail party at the Embassy. Other entertainment was provided by His Majesty's consul-general, the commercial secretary, and members of the British community.

4. Unfortunately the visit coincided with the holding of the first stage of the parliamentary elections, thus preventing local officials from taking part in any of the entertainments arranged for or by the admiral. This circumstance, coupled with the reluctance, inspired from above, of Turkish military and naval elements to have any relations with foreigners, reduced the Turkish participation in the visit to the minimum, no Turkish hospitality of any sort being offered to the officers and men of the ship. On the invitation of the admiral, 100 cadets from the Naval College at Halki visited the ship and visitors were admitted on board each afternoon. The admiral gave a cocktail party on board on the last day of the visit, and I enclose herein a translation of an article, which appeared in the *Cumhuriyet*, written by one of the Turkish journalists who was present.(1)

5. On the 18th January the Turkish fleet returned from a cruise in the Black Sea and anchored off Haydarpaşa. Visits were exchanged the following day between the officer commanding the Turkish fleet and the admiral.

I have, &c.

PERCY LORAINE.

(1) Not printed.

[E 852/10/44] No. 17.

Sir P. Loraine to Sir John Simon.—(Received February 7.)

(No. 55.)

Sir, *Angora, January* 30, 1935.

WITH reference to my telegrams Nos. 18 and 19 of the 29th January regarding Anglo-Turkish commercial relations, I have the honour to transmit to you the accompanying copies of records of oral discussions which took place on the 20th, 22nd and 26th January between Turkish representatives and my delegates, with a view to explore the possibilities of reaching a commercial agreement, together with a copy of memoranda by the commercial secretary to this Embassy, dated the 23rd and 27th January.(1)

2. It will be seen from these records that at the meeting of the 20th January the commercial secretary gave details of a scheme designedly drawn up to exclude the principle of balance of trade or payments between the United Kingdom and Turkey. A full description of the scheme is attached to the record of the oral discussions of the 20th January, and it will be seen that it is scheme B, with explanatory detail, as given in your despatch No. 259 of the 27th June, 1934, and your telegram No. 7, Saving, of the 29th November, 1934. At the next meeting, on the 22nd January, the Turkish delegates declared that their Government could not entertain any scheme of the nature described in the first meeting. The commercial secretary then discussed the possibilities of agreement being reached on a second scheme, of which he gave particulars. The chief points of this second scheme, full details of which will be found in the enclosures to this despatch and which follows closely on the lines of the plan submitted to you in my telegram No. 25, Saving, of the 3rd November, 1934, and approved by you with some modifications (incorporated in the commercial secretary's second scheme) in your telegram No. 7, Saving, of the 29th November, 1934, were :—

(*a*) The establishment, between the United Kingdom and Turkey, of a trade balance from which would be excluded Turkish Government purchases, "invisibles" and goods now held up in Turkish custom-houses.

(*b*) Free provision of exchange by Turkey for commercial imports and "invisible" exports.

(*c*) Option for United Kingdom firms, trading with Turkey, to export or import goods on a "barter" system, goods exchanged under this system to be free from Turkish quota restrictions, and not to be taken into calculation in establishing the balance of trade. United Kingdom firms to be further entitled to export goods obtained in Turkey under this system not only to the United Kingdom, but also to parts of the Empire and foreign countries having no "clearing" agreements with Turkey.

3. At the third meeting, held on the 26th January, the Turkish representatives pressed for a clearing agreement between the two countries, and stressed the fact that any proposal which involved even a temporary export of exchange from Turkey was inacceptable to the Turkish Government. They pointed out that during Turkey's import season (*i.e.*, January to August—when Turkey's imports usually exceed her exports) they would be called on to export exchange, which would only return to them in Turkey's export season (*i.e.*, September to December), and declared that Turkey's stock of exchange was too small to stand any export of exchange, at any time, even though it were recoverable later.

4. It was suggested by my representatives that this difficulty was not insuperable, and Numan Melemencoglu, the chief Turkish representative, mentioned the possibility of some British organism making itself responsible for the payment to the United Kingdom firms of goods which they might export to Turkey during Turkey's import season. The Turkish consignees, on their side, would pay Turkish currency for the goods into a blocked account in Turkey. During Turkey's export season, in proportion as sterling due in the United Kingdom for Turkish exports to the United Kingdom passed to the British organism, the currency blocked in Turkey would be proportionately released to exporters in Turkey. Numan Melemencoglu suggested that this scheme, if

(1) Not printed.

adopted, should cover all commercial debts. He passed then to what he called extra-commercial debts (invisibles). He thought that the "barter" system mentioned in the proposals of the commercial secretary might contribute towards the liquidation of part of these debts, for if, for example, a United Kingdom firm exported from Turkey to countries (including any part of the Empire) having no clearing or other agreements with Turkey (India is therefore excluded from the plan), the Turkish Government would allow the firm to export to Turkey from the United Kingdom goods up to a certain percentage of the goods which the firm had exported from Turkey, the value of the remainder to go towards the payment of extra-commercial debts.

5. My representatives took note of Numan Melemencoglu's views and stated that they would refer them to me for consideration. The commercial secretary then, as recorded in the minutes of the third meeting on the 26th January, raised the question of the threatened annulment on the 15th February of the authorisation given to United Kingdom firms to export to Turkey goods mentioned in "List A." Numan Melemencoglu's reply was unsatisfactory.

6. I have explained my own views on the Turkish suggestions for a commercial agreement in my telegram No. 18 of the 29th January and I shall be glad to learn at your early convenience what attitude you wish me to adopt towards these suggestions.

I have, &c.
PERCY LORAINE.

[E 839/72/44] No. 18.

Sir P. Loraine to Sir John Simon.—(Received February 7.)

(No. 64 E. Confidential.)

Sir, *Angora, February* 1, 1935.

I HAVE the honour to submit to you the following observations on the prospects of financial and economic stability in this country. In doing so, I do not wish to minimise the efforts made by the Republican Turkish Government to rebuild their national credit by balancing their budget and ensuring the stability of their currency, by meeting punctually the obligations which they themselves have contracted, by developing through State aid the industrial activity, communications and natural resources of the country, by forswearing the disastrous policy pursued by their Ottoman predecessors of covering current expenditure by borrowed capital, and by eschewing the raising of loans abroad.

2. I do wish, however, to utter a word of caution in regard to the future because a variety of circumstances which have gradually come to my knowledge since I assumed my duties in this country have combined to create a doubt in my mind whether the objects of Turkish policy as summarised above can be achieved by the sole resources of Turkey. I am, indeed, led to believe that, unless before very long there be some influx of fresh, and presumably foreign, capital, the Turkish financial and economic structure may be in danger of collapse; in other words, that Turkey may be faced with the alternative, while her credit is still relatively sound, of borrowing abroad or of defaulting on her obligations.

3. No prediction can, however, confidently be made. The Government in Angora is highly centralised, its authority is undisputed, it is virtually immune from press criticism and actually immune from the criticism of a parliamentary Opposition, it commands the absolute allegiance of the forces of national defence and national security, it is in a position to regulate all the financial, industrial and commercial activities of its citizens and to act vigorously *vis-à-vis* of foreign States and subjects if Turkish national interests appear so to demand. It is master in its own house; it wields its authority vigilantly, resolutely and sometimes even unscrupulously. It is, I believe, axiomatic that a country so autarchic in its Constitution can hold on to a deteriorating economic position longer than one more democratically organised.

4. I will now proceed to summarise the factors which I discern as operating, in accumulation, towards a rupture of the financial and economic equilibrium of Turkey.

5. The necessities of the physical independence of the country, as computed by the rulers of Turkey, absorb annually at least 33 per cent. of the country's

total revenue on the national defence forces. The tendency is to increase this expenditure rather than to reduce it.

6. The limit of the taxable capacity of the country has pretty well been reached.

7. The position as regards foreign trade appears complicated, but can be simply described. In order to avoid drains, which cannot be met, on the slender availabilities of foreign exchange, the position is that the countries which export to Turkey, taken as a group, can only send goods in one year of the value of that year's Turkish exports. If they send more, the exporters will not get paid, unless indemnified by their own Governments. This accounts for the Turkish insistence on clearing agreements with foreign countries which trade with them, their preference for trade by barter, and their refusal to countenance any trade agreement that does not, at the worst, provide for a balance of payments. Granting the necessity, from the mere point of view of Turkish solvency, of arrangements of this kind, it is nevertheless the case that the severe restriction thus placed on the volume of Turkey's international trade diminishes *pro tanto* the number of commercial transactions on which taxable profits could be made. The restriction is, of course, conditioned by the value of Turkish exportabilities. The remedy would obviously lie in an increase of these exportabilities. I have, however, no grounds for supposing that in the near future any increase in this direction is likely that would appreciably affect the situation. The Turks will accept no obligation to provide exchange, which they entirely control, for imports into Turkey of a value in excess of the value of Turkish exports abroad.

8. Furthermore, the Turks are, in my opinion, placing heavy mortgages on their future resources by buying out a number of public utility enterprises, of a concessionary character, dating back to the Ottoman period, which have hitherto been financed and directed by foreigners. In 1934 alone they bought up the Smyrna-Kassaba Railway and the Constantinople Quay Company, they are likely during the present year to conclude arrangements for buying up the Smyrna Gas Company, the Aydin Railway and the Constantinople Telephone Company. It is true that these repurchases have been effected at bargain prices, practically on the basis of paper for gold, but the accumulated charges will necessitate a very appreciable increase in the provision of foreign exchange. These operations, though they cannot be classed as borrowing abroad, which is so obnoxious to Turkish policy, nevertheless seem to me to produce an effect very similar to that of a foreign loan, inasmuch as they commit Turkey to increased annual disbursements in foreign exchange, while they lack the advantage which a loan presents of making a capital sum available for productive purposes. The only set-off would be if the various repurchased enterprises produced under Turkish management a net revenue which more than covered the increased foreign obligation. Time will be necessary to judge of this eventuality.

9. We know from the mouth of the Secretary-General of the Turkish Ministry for Foreign Affairs, who mentioned it in relation to the Anglo-Turkish commercial negotiations now pending in Angora, that, for the last few years, the Turkish Government has had to perform acrobatic feats to provide exchange for paying the coupon on their foreign obligations. I have also learnt in private confidence from a French Treasury official temporarily employed in the Turkish Ministry of Finance that, according to the Turkish official figures, there was not enough foreign exchange available in 1934 to pay the coupon, although in point of fact it actually was paid. He argues that there must have been an inaccuracy in the figures, which, however, has not yet been traced.

10. From a more general point of view, there is a marked tendency towards a system of State capitalism which, if it takes on form and substance, seems likely to approximate to the Russian model, and to lead towards the minimisation of individual enterprise. Setting aside the theoretical question of the suitability of the Russian brand of State capitalism, it is permissible to postulate that, without the gigantic natural resources of Russian territory, it would probably not have proved workable in revolutionary Russia. The same condition of vast natural wealth does not, however, obtain in the case of Turkey. A query mark must therefore be placed not merely against the suitability, but also against the workability, of the system in Turkey.

11. I cannot tell whether among responsible Turks there is any serious misgiving in regard to future solvency, or appreciation of the possible necessity of borrowing abroad to avert insolvency. My impression is, however, that

responsible Turkish circles are optimistic in regard to the possibility of maintaining their credit and meeting their obligations without recourse to borrowing. The purpose of this despatch is to indicate the doubts in my own mind whether such optimism is well founded.

12. I attach a statement of statistical figures relating to the categories of Turkish expenditure alluded to in this report.

13. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 18.

Statement of Statistical Figures relating to Turkish Expenditure.

(1) THE last financial year was 1933–34.

Budget *estimates* for that year were :—

	£T. million.
Revenue	170·5
Expenditure	170·5

("Further Correspondence respecting Turkey," Part XXVII, No. 52.)

Budget, *actual figures*—but lacking returns for Istanbul, Izmir and Mersin—were :—

	£T.
Revenue	171,583,309
Expenditure	174,109,146

(Despatch No. 473 of October 8, 1934, to Foreign Office.)

(2) National defence figures (see p. 15 of enclosure (not printed) to despatch No. 301 of the 21st June, 1934, to Foreign Office).

	1933–34 (Budget £T. 170 millions).	1934–35 (Budget £T. 184 millions).
	£T.	£T.
Army	32,383,640	40,964,881
Navy	3,765,560	3,808,818
Air Force	943,000	4,583,774
Military factories	2,955,800	3,290,643
Cartography	603,505	603,505
	40,651,505	53,251,621
Bills for military purchases ...	8,810,000	8,889,372
	49,461,505	62,140,993

i.e., 29 per cent. of budget (1933–34), 33·75 per cent. of budget (1934–35).

In addition the Minister of Finance has power to allocate to defence an additional £T. 5 million.

(3) Figures for :—

	1933–34. £T.	1934–35. £T.
Sûreté publique	4,101,500	4,107,499
Gendarmerie	8,679,379	8,679,379

(4) *Payment of foreign obligations.*

According to the Public Debt Annual Reports of 1932–33 (pp. 89–91) and 1933–34 (pp. 91–93), Turkey's Public Debt was in :—

	£T.
1933–34	46,210,355
1934–35	44,836,736

Of these sums foreign debts amounted to:—

	1933–34. £T.	1934–35. £T.
Public Debt (old Ottoman Debt) ...	5,000,000	5,456,937
Due to Banca Commerciale	247,000	219,564
Due to His Majesty's Government (pre-war debts, law 1740)	43,800	39,000
Match Monopoly Loan (law 1722) ...	1,674,108	1,134,108
Purchase of Anatolia and Mersin Railways and Haydar Pasha Port (law 1375)	2,045,000	...
Debts of Seyri-sefain Company (law 2284)	...	643,786
Public Works bonds and bills (laws 944 and 1091)	4,600,000	4,602,074
Military and naval material and construction (repair of *Yavuz*, arms, munitions), (laws 664, 1013, 1077, 1244, 1550)	8,810,000	8,889,372
Smyrna Quay Company	...	64,000
	22,419,908	21,048,841

(*i.e.*, a decrease of £T. 1,371,067).

According to Angora despatch No. 277 of the 8th June, 1934, to the Foreign Office, the annuity payable to the Kassaba Railway will be 12,665,000 French fr. (approximately £T. 1,055,400).

The purchase of the Constantinople Quay Company will involve the Turkish Government in the following payments (see print section, January 10, 1935, Section 1):—

(1) Three annual instalments from the 1st February, 1935, of 1,400,000 fr. (say £T. 116,600).
(2) A balance—as yet unknown of an account for dues, rents, insurance.
(3) A sum of £T. 570,338—being a debenture loan contracted by the company.
(4) An annuity of 2,800,000 fr. (say £T. 233,300).

[E 850/10/44] No. 19.

Sir John Simon to Sir P. Loraine (Angora).

(No. 13.)
(Telegraphic.) *Foreign Office, February 7, 1935.*

MY telegram No. 11 of 1st February: Anglo-Turkish commercial negotiations.

Turkish suggestion that United Kingdom should find exchange to cover sterling payments during first eight months of year is surprising, and no hint of it was given in semi-official offer reported in your No. 25, Saving, of 3rd November, 1934—a point to which you might draw Faik Bey's attention privately. There seems no good reason why Turks should be short of sterling. In considering present United Kingdom favourable balance, the large amount of goods held up in the Turkish Customs must not be lost sight of. Moreover, Turks presumably derive appreciable supplies of sterling from their favourable balances with Palestine, Malta, &c. Further, 1934 statistics show increased imports of Turkish goods into United Kingdom in first three quarters and decline in last quarter as compared with 1933, thus seasonal fluctuation is much reduced.

2. No Government organisation exists which could make proposed sterling advances, and His Majesty's Government are not prepared to undertake such payments, nor is there any possibility that any private institution would be prepared to do so.

You should inform Turkish delegates accordingly and report their reactions at once.

3. At same time you should inform them of surprise and regret with which His Majesty's Government have learnt of threat reported in your No. 19 of 29th January. His Majesty's Government keenly reciprocate Turkish desire to reach agreement rapidly, and are exerting themselves to that end, as evidenced by substantial offers they are making. It is for Turks to say whether proposals of His Majesty's Government are acceptable, at any rate in principle. In the meantime I trust that in view of friendly relations between the two countries they will refrain from taking any untimely action.

4. You should not let Turks know at present stage of further tariff concessions, as indicated in your telegram No. 23 of 1st February, you were holding in reserve, but it might be hinted to them that if negotiations are allowed to proceed in normal way and without interruption of threats, there are certain directions in which His Majesty's Government may be prepared to develop their proposals as part of a mutually satisfactory agreement.

5. His Majesty's Government would welcome an indication of percentage which Turkish delegates have in mind as regards exports to countries having no clearing agreements with Turkey (see paragraph 6 of your telegram No. 18 of 29th January).

[E 932/10/44] No. 20.

Sir P. Loraine to Sir John Simon.—(Received February 10.)

(No. 4.)
(Telegraphic.) *Constantinople, February 10, 1935.*

YOUR telegram No. 13.

It will be seen from my despatch No. 55 and its enclosures that Turkish Government will not and cannot accept any agreement which involves eventual loss of exchange, nor can they continue to advance sufficient exchange to meet demands during their slack season.

In my view the only arrangement which seems possible is one based on balance of payments, including ordinary trade exchanges, goods held up in customs, and all invisibles, and even then United Kingdom exporters can only be paid as and when Turks have sterling available, unless His Majesty's Government or some institution, such as Ottoman Bank, can assist in this direction in order to permit exporters of goods held up in customs and other consigners to obtain exchange before the active Turkish export season.

As regards paragraph 1, Faik's attention has already been drawn privately to shortcomings of Turkish attitude during conversations, as compared with offer reported in my telegram No. 25, Saving, of 1934.

The matter of exchange availabilities seems to be one of fact. You will have learnt, meanwhile, from paragraph 9 of my despatch No. 64 E that Turkish delegates' statement in this connexion is fully endorsed in reliable and friendly quarters.

I fear a statement to Turks in the sense of paragraph 2 would merely lead them to reiterate their inability to provide exchange in advance. They would add that practical solution must come from our side or that His Majesty's Government should accept clearing agreement.

Argument as regards sterling surpluses accruing to Turkey from their trade with Palestine, &c., is weakened by the fact that we are asking that United Kingdom goods should be exported, at any rate on a percentage basis, in compensation for Turkish exports to such countries.

As regards paragraph 3, I entirely agree and have taken action (see my immediately following telegram). Opportunity [? will be] taken of hinting to Turks that further tariff concessions might be made by His Majesty's Government, but owing to financial situation I fear such concessions will not influence their general point of view; my delegate will, however, make one last effort to secure exclusion of portion of invisibles from balance against concessions which I still hold in reserve.

I would recommend, however, that in any case [group undecypherable] concessions should be made in order to stimulate Turkish exports to United Kingdom, as there is a danger that clearing-agreement countries may absorb available Turkish exports in order to free frozen credits.

Turkish delegates tentatively mentioned that compensation for transactions to non-clearing countries might be effected on 50 per cent. basis, but this figure is capable of amendment in the sense more favourable to our trade.

To sum up: "Réglements" numbers 1 and 2 can be regarded as inacceptable, and therefore it would seem to me that we are faced with one of the following alternatives: (1) Agreement based on balance of payments which will include all invisibles, uncleared stocks and public works contracts, but leaving it optional to contractors to accept payment in kind—in such cases these operations would be outside balance of payments agreement; (2) clearing agreement operating through clearing houses, but with addition of a private compensation clause.

[E 1063/10/44] No. 21.

Sir P. Loraine to Sir John Simon.—(*Received February* 14.)

(No. 27.)
(Telegraphic.) R. *Angora, February* 14, 1935.

My telegram No. 5 from Constantinople.

Secretary-General of Ministry for Foreign Affairs has just informed me that he exerted great pressure on Minister of National Economy to induce him to continue after 15th February to allow United Kingdom goods mentioned in list A to enter Turkey.

Minister of National Economy was at first adamant, alleging that grant of privilege list A to His Majesty's Government had so far cost Turkey 3 million liras, and that he could no longer allow the privilege to continue, especially as the busy season for imports from United Kingdom was normally now beginning.

After much argument from the Secretary-General of Ministry for Foreign Affairs, the Committee of National Economy agreed to following scheme, subject to acceptance by His Majesty's Government:—

List A goods from United Kingdom would be allowed to enter Turkey from 15th February to 20th March, but Turkish authorities would no longer authorise, as in the past, the transfer of exchange to United Kingdom to pay for such goods.

United Kingdom exporters of list A goods entering Turkey between 15th February and 20th March would, however, receive payment for their goods in whatever fashion the United Kingdom exporters of goods to Turkey would receive their payment under the new commercial agreement, now being discussed.

Thus (*a*), if the new commercial agreement is a clearing agreement, payment of list A goods allowed to enter Turkey from the United Kingdom from 15th February to 20th March will be effected as provided in that agreement.

(*b*) If it is a private "compensation" (private exchange of goods) agreement, then above specified list A goods would be privately "compensated."

(*c*) If it is an agreement providing for payment in cash, then payment of above list A goods will be in cash.

The list A goods entering Turkey from United Kingdom between 15th February and 20th March, therefore, enter the new commercial agreement and their payment will be arranged for in it.

The Secretary-General of Ministry for Foreign Affairs informed me he could not obtain from Committee of National Economy any further concession than above. It was subject to acceptance by His Majesty's Government. If His Majesty's Government accepted it, then the Secretary-General suggested that a simple exchange of letters recording the fact should take place between the Embassy and Ministry for Foreign Affairs. Immediately on exchange of letters, list A goods from the United Kingdom lying in the customs would be liberated up to 20th March.

I urgently request instructions at your earliest possible convenience whether I am to notify to the Turkish Government your acceptance of this scheme or otherwise.

[E 1207/1207/44] No. 22.

Sir P. Loraine to Sir John Simon.—(*Received February* 21.)

(No. 78.)
Sir, *Angora, February* 13, 1935.

I HAVE the honour, with reference to my despatch No. 582 of the 3rd December, 1934, to inform you that the name of the President of the Republic has undergone yet another change. It was noticed that in an official communiqué, published on the 4th February, "Kamâl," instead of the familiar "Kemal," preceded the President's new surname "Atatürk." On the following day a statement appeared in every newspaper to the effect that enquiry on the part of the editorial staff had elicited "the reason and the basis" of this change of spelling. It had been ascertained that the name of "Kamâl" borne by Atatürk was not an Arabic word, nor had it the same meaning as the Arabic word "Kemal." On the contrary, the name which Atatürk had retained for himself was "Kamâl," which signified in Turkish (*sic*), "army" and "fortress." Nevertheless, the pronunciation of this name, in consequence of the accent placed on the second "a," was very similar to that of "Kemal."

2. According to the *Cümhuriyet* newspaper, the Linguistic Commission has now fixed the "pure Turkish" equivalents of the current terms denoting military ranks. "Binbaşi" (major) and "yüzbaşi" (captain), being Turkish, are to be retained, but "general" (see paragraph 5 of my despatch No. 584 of the 5th December last) is apparently to be replaced by "tug." It remains to be seen whether these new terms are officially promulgated. The quest of "pure" Turkish words seems to produce some quaint results, though not intentionally humorous ones. One may doubt, for instance, whether the Turks appreciate the scholarly attributes with which some Englishmen and all old Etonians will henceforth credit senior officers of the Turkish army.

I have, &c.
PERCY LORAINE.

[E 1208/158/44] No. 23.

Sir P. Loraine to Sir John Simon.—(*Received February* 21.)

(No. 83.)
Sir, *Angora, February* 15, 1935.

I HAVE the honour, with reference to my despatch No. 551 of the 15th November, 1934, to inform you that the final stage in the elections for the new Grand National Assembly was reached throughout the country on the 8th February, when the secondary electors, who had nominally been chosen by universal suffrage a few weeks previously, elected the 399 Deputies of which the Assembly now consists. This figure represents an increase of 82 as compared with the number of Deputies returned at the last general election, in 1931, and is consequent on the new legal provisions summarised in paragraph 4 of my despatch No. 587 of the 8th December last.

2. Of the 399 Deputies elected, the election of 386 (including seventeen women) was a foregone conclusion, these having already been selected by the President of the Republic in his capacity of president of the Popular party. The remaining seats (thirteen as compared with thirty in 1931) were magnanimously left vacant to permit of the election of such independent candidates as should be approved by the secondary electors, all Popular party nominees; and a new feature in the elections just concluded was the approval and consequent election of a small number of candidates representing the religious minorities. These are stated by the press to number four out of the thirteen independent members, but the published list of the latter reveals only three names that are recognisable as those of non-Moslems. These are a well-known Greek surgeon, Dr. Taptas; an elderly and highly respected Armenian Catholic named Keresteciyan, formerly sub-manager of the Ottoman Bank; and a Jewish doctor named Abravaya. All three belong to Constantinople, though the constituencies for which they have been elected are Angora, Afyonkarahisar and Niğde respectively. The fourth non-Moslem, whose identity is concealed beneath a "new Turkish" name and surname, is understood to belong to the small band of partisans of the notorious Papa Eftim, head, if not Patriarch, of the so-called Turkish Orthodox Church.

3. A few days before the elections, the semi-official *Ulus* of Angora published the following manifesto by Dr. Taptas, which may be regarded as typical of the present attitude taken up, doubtless with numerous mental reservations, by the leading representatives of the minorities :—

"I have put forward my candidature with the following programme and conditions. I beg that my candidature and programme be communicated to the presidents of the Kazas and to the secondary electors. Here is my programme :—

"I do not wish to be the representative of a minority, but of the Turkish nation, and my labours in the Assembly will ever be in faithful conformity with this principle.

"The second clause of my programme is republicanism. I shall work for the preservation of this régime until I draw my last breath. I shall labour with all my might for the material and spiritual welfare of our country, for the ever greater exaltation of our dear fatherland."

4. Among the remaining independent Deputies, who, by the way, include no women, appears the name of General Refet, formerly a prominent Opposition figure, who, as stated in Sir George Clerk's despatch No. 149 of the 30th April, 1931, was rejected, prior to the general election held in that year, as being unworthy even of independent status. He has now presumably toed the line and given evidence of the "qualities of sincerity and devotion to national, laic and republican principles," which are still a prerequisite to admission into the Assembly. Ali Fuat, another of the leading "oppositional generals" of earlier days, has again been elected as independent Deputy for Konya, which, with the full approval of the President of the Republic, he has represented since 1933. Thirty-three Deputies of the last Grand National Assembly have not been re-elected. Among them the most noteworthy were Resit Safiet (Kocaeli) and Celal Nuri (Tekirdaği). Both figure in the "Turkish Personalities" annually furnished by this Embassy.

5. The following incident, which was related to a member of my staff by an intelligent and well-educated young Turkish bank clerk, whom I will call Sirri, may be taken as typical of parliamentary elections in this country. The primary elections at Angora were in progress in January and, a notice having been circulated in the bank exhorting all the employees to do their duty as citizens, Sirri went to the town hall to register his vote. As it was the first time he had ever voted he asked one of the officials what he was supposed to do. The official pointed to piles of papers and told him to take one and put it in the box. Knowing none of the candidates even by name, Sirri seized three papers and stuffed them into the box. He might have put in any number as there was no control. There was, moreover, no examination of his identity card, in spite of the strict provisions of the law on the subject, and nothing to prevent his going back again later and putting another handful of papers into the box. In such circumstances it is not surprising that the total number of votes cast throughout the country was stated in the press to have been remarkably high. It would surprise me to learn that the ballot papers used have even been counted.

6. On the 4th February the President of the Republic issued an electoral manifesto which was published in all the press. I enclose herein a French translation of this document which appeared in the semi-official Anatolia Agency bulletin, and which I venture to think will be read with interest, covering as it does the whole field of Turkish internal policy.(1) Four days later, after the predetermined result of the elections had been announced, Kamâl Atatürk issued the following message of thanks to the nation :—

"Dear citizens, you have once again displayed your confidence in me and in my party. You have once more judged worthy of your high election the companions I presented to you. The unity and idealism of which the nation has just given proof have attracted universal attention to our country. On this evening of the 8th February, which has seen the end of the elections of 1935, Turkey shows the world once more that expression of firmness and strength with which she will confront the problems we shall have to face both at home and abroad. What we sincerely wish for is the greatness of the fatherland and the well-being of the citizen."

(1) Not printed.

7. Press comment on the elections has been well up to the usual standard of inspired enthusiasm. Even the strange feature, for Republican Turkey, presented by the selection and election of minority candidates comes in for favourable comment. The newspapers emphasise the point that these Deputies do not wish themselves to be considered as the representatives of the minorities, but of the whole nation, and they conclude that this constitutes a striking proof of the great change which has come over the outlook of the minorities in Turkey, who have understood that their happiness is to be found in the happiness of the nation as a whole. One paper declares that "the invitation addressed to the independent Deputies to make their voice heard from the national tribune affords yet another proof of the democratic idea which animates our leader, Atatürk."

8. In these circumstances it is not astonishing that phrases should be current in the foreign community in Turkey such as that "selections" rather than "elections" are the basis of Turkish parliamentary representation, and that, by inaugurating the compulsory representation of minorities, Turkey may have written a novel page in the history of democracy.

I have, &c.
PERCY LORAINE.

[E 1252/10/44] No. 24.

Sir P. Loraine to Sir John Simon.—(*Received February* 22.)

(No. 35.)
(Telegraphic.) R. *Angora, February* 22, 1935.

I HAD representations made to Ministry of Economy in the sense of your telegram No. 18. As a result, the Secretary-General of Ministry for Foreign Affairs has now proposed to me the following formula :—

"List A goods from United Kingdom shipped from a British port for Turkey before 15th February may enter Turkey up to a total value of £100,000 sterling on the understanding transfer of exchange in regard to such goods will only be authorised in proportion of 50 per cent. of that amount, the method of settlement of remainder to be left for arrangement in the future commercial agreement."

I beg I may be informed at an early date whether His Majesty's Government find this formula acceptable.

[E 1252/10/44] No. 25.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 22.)
(Telegraphic.) R. *Foreign Office, February* 23, 1935.

YOUR telegram No. 35 of 22nd February : Temporary Anglo-Turkish commercial arrangement.

You may accept formula. Please report Turkish acceptance immediately.

[E 1164/10/44] No. 26.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 23.)
(Telegraphic.) R. *Foreign Office, February* 23, 1935.

YOUR telegram No. 4 of 10th February from Constantinople : Anglo-Turkish commercial negotiations.

1. Only course open to His Majesty's Government appears to be one of two indicated in final paragraph. Objections to a full-blown clearing agreement remain, and it is therefore hoped that agreement can be reached on lines of first alternative, which resembles the Anglo-German Payments Agreement of 1st November, 1934. His Majesty's Government suggest that this agreement should embody an undertaking by the Turkish Government that they will in each month

release exchange for imports of United Kingdom goods into Turkey equivalent to the value of United Kingdom imports from Turkey in last month, but one as shown by United Kingdom statistics, subject to a deduction on account of any export sent to the United Kingdom under compensation arrangements (see below) and of invisibles (see my immediately following telegram). Any excess of sterling left unused in any month would be carried forward till exhausted. In allotment of sterling thus available between different classes of United Kingdom goods, His Majesty's Government would wish to see account taken as far as possible of nature of past trade. Precise proposals on this point would require working out in more detail.

2. It may be unnecessary to make separate provision for goods detained in Turkish customs, since such goods would presumably get first benefit of exchange available for particular category of goods concerned, but I should be glad to have your views on this point.

3. Agreement should provide that, outside balancing scheme suggested above, it shall be permissible for United Kingdom traders to send additional exports of United Kingdom goods to Turkey under "compensation" in return for exports of Turkish produce from Turkey by United Kingdom concerns to the United Kingdom and to countries with which Turkey has no clearing or similar agreements. Countries with which Turkey has only ordinary commercial treaties without clearing or compensation provisions should not, however, be excluded. Important point is that compensation should not be limited to cases where same individual or concern does both importing and exporting, but should be negotiable between different persons and firms.

4. His Majesty's Government would not be prepared to offer any tariff concessions in return for agreement on these lines unless Turks for their part were prepared to offer additional facilities.

5. Unless you see objection, please approach Turkish Government at once on these lines.

E 1429/158/44 No. 27.

Sir P. Loraine to Sir John Simon.—(Received March 2.)

(No. 40.)
(Telegraphic.) R. *Angora, March 2, 1935.*

THE fifth Grand National Assembly opened yesterday. Kamal Ataturk was again elected President of the Republic. Abdul Halik Renda became President of the Assembly in place of Kazim Ozalp, who was appointed Minister of National Defence.

The old Cabinet resigned, and was again reformed under presidency of Ismet Inonu with one change, Zekai being displaced in favour of Kazim Ozalp.

E 1439/10/44 No. 28.

Sir P. Loraine to Sir John Simon.—(Received March 3.)

(No. 7.)
(Telegraphic.) *Constantinople, March 3, 1935.*

YOUR telegram No. 23.

After careful study, I propose first to make one more effort to obtain an agreement based on balance of trade, thus excluding Government contracts and invisibles, while granting to Turkey tariff concession in the United Kingdom.

If this fails, I shall propose agreement described in your telegram under reference and based on a balance of payments, but I submit, with reference to paragraph 4 of your telegram that it would, nevertheless, be desirable to offer tariff concessions even if Turks are not prepared to offer additional facilities. Such tariff concession ought to stimulate Turkish exports to the United Kingdom. This is necessary in view of danger that countries with whom Turkey has clearing agreements might absorb available Turkish exports in order to free frozen credits.

Your suggestion that available sterling be allotted between different classes of United Kingdom goods taking into account nature of past trade seems to me

to be not practicable in application. I suggest instead that exchange should be released by prior clearance declarations registered at customs.

I consider the agreement ought to make provision for old stocks detained in Turkish customs, as these will have to be brought into balance.

List of A goods recently held up in customs will be subject of special arrangement (see your telegram No. 22).

Your telegram No. 24, paragraph 2. This will be brought to light in the course of further negotiations.

[E 1444/793/44] No. 29.

Sir P. Loraine to Sir John Simon.—(Received March 4.)

(No. 99.)
Sir, *Angora, February 23, 1935.*

I HAVE the honour, with reference to my despatch No. 46 of the 23rd January, to inform you that according to the press the Ministry of National Economy has recently engaged a number of German specialists. Of these Dr. von Porten has been engaged as adviser to the Ministry, and Drs. Baxden and Wibrand as specialists in nationalisation and standardisation. The post of specialist at the Labour Bureau of the Ministry, has been given to Professor Veyfart, who is stated formerly to have represented Germany in the International Labour Bureau. Lastly, Herr Epenstein has been engaged for the Ministry's statistical bureau, and will prepare technical studies on increase of production, industrial development, and other economic questions.

2. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 1536/919/44] No. 30.

Sir P. Loraine to Sir John Simon.—(Received March 7.)

(No. 102.)
Sir, *Angora, February 28, 1935.*

I HAVE the honour to inform you that His Majesty's consul-general at Smyrna and the acting British consul at Trebizond simultaneously reported, some ten days ago, certain movements of troops, guns and ammunition in the direction of Constantinople. Mr. Greig stated that 275 gunners, 10 field guns and howitzers, 240 horses, 50 tons of artillery ammunition and 37 tons of miscellaneous goods, said to contain 50 machine guns, were embarked at Smyrna on the 14th February, their rumoured destination being Adrianople. Mr. Falanga reported on the 17th February that for a week or two previously the State-controlled steamship lines had refused to accept passengers or cattle for Constantinople from ports in the Trebizond consular district, but were embarking troops destined for Thrace. Cases of shells and other ammunition which had arrived from the interior were also shipped.

2. While there is no reason to doubt that the troops and material in question were, in fact, destined for Thrace, my military attaché has expressed to me the opinion, which I am inclined to share, that the Turkish Government are unlikely to reopen the subject of remilitarisation of the Straits and Thracian zones, since there is reason to believe that the Turkish General Staff favour a mobile rather than a static system of defence in those areas. Preparations are being pushed forward to this end, and have probably already reached an advanced stage. Why, therefore, it may be asked, should the Turks now wish to put forward claims which they know by experience to be unpopular?

3. In Major Sampson's view, these and similar troops movements are bound up with the regrouping of forces discussed in his despatch No. 1 of the 14th July, 1934, a copy of which was enclosed in my despatch No. 357 of the 21st July. Turkey's western and south-western seaboards are now her sensitive areas, and these include her land frontier with Bulgaria. The intention appears to be to bring units in these districts up to their full peace establishment at the expense

of units in the interior. The organisation of Kirklareli (formerly known as Kirk Kilise) as a fortress appears probable, and the formation of a new division in that area is mooted.

4. As regards remilitarisation, I think it possible that the Turks may seek liberty to *garrison*, without fortifying, the zones, or at least the Straits zones. Generally speaking, I do not think they will wish to put forward at the moment any claims which might embarrass the broad negotiations aiming at security in a general system of limited armaments, on which their French and British friends are willing to embark. Much, however, will depend on the course of the general negotiations. The Turkish *amour-propre* complex in respect of the demilitarised zones still subsists, and if the Turkish General Staff scent a lever for obtaining satisfaction on the point, they will probably bring pressure to bear on the Government to use that lever.

I have, &c.
PERCY LORAINE.

[E 1537/1537/44] No. 31.

Sir P. Loraine to Sir John Simon.—(*Received March 7.*)

(No. 103.)

Sir, *Angora, March* 1, 1935.

I HAVE the honour to inform you that the President of the Republic, in accordance with a precedent of recent date, left Angora on the 21st January, in the middle of the capital's winter season, for a stay of several weeks in the milder air and less austere surroundings of Constantinople, where, surrounded by members of the Cabinet, high officials of the Popular party and his own particular friends, he made the "selections" and supervised the arrangements for the recent general election.

2. On the 16th February, a few days after the elections had been completed, as reported in my despatch No. 83 of the 15th February, to the entire satisfaction of all immediately concerned, M. Kamâl Atatürk, no doubt feeling that he had earned a rest, left Constantinople by Turkish steamer in the direction of Smyrna, where he was expected to arrive the following day, and where the management of the Smyrna–Aydin Railway had been instructed to hold in readiness two trains for the conveyance of the President and his suite to Baladiz *en route*, it was supposed, to Antalya (Adalia). Contrary to expectation, however, the President did not call at Smyrna, but went on board the destroyer *Zafer* at Çesme, outside the Gulf, and sailed thence to Alanya (Alaiye) escorted by the destroyer *Adatepe*. He went ashore at Alanya for a few hours, and then proceeded to Antalya, where he rejoined the steamship *Ege*. From Antalya he cruised along the coast to Silifke and Mersin, where, as at Smyrna, elaborate preparations had been made in the expectation of his landing, but all to no purpose. I enclose herein a copy of a despatch from the acting British consul at Mersin descriptive of the preparations for the abortive presidential visit to that town.(1) The return journey included calls at Fethiye (Makri) and Mermeris (Marmarice), where, as at the other ports touched, the population, if the press may be believed, indulged in the usual transports of joy. The *Ege*, with the President on board, returned to Constantinople on the 25th February.

3. While it is possible that the President's cruise along the western and southern coasts of Turkey may have been undertaken mainly for reasons of health and relaxation, those seaboards are now, as I had occasion to state in a recent despatch, Turkey's sensitive areas, and it is not unlikely that fear, real or assumed, of Italian designs on those regions was an additional consideration. In a recent despatch from Mersin the acting British consul states that, according to his information, the President's visit to the Alanya–Antalya district was undertaken for purely strategical reasons; and Mr. Catton adds that he had learned from a reliable source that some pieces of heavy artillery had quite recently been moved to Antalya from the interior. There can, in any case, be no doubt about the impression which it is intended that the cruise should make in the popular mind. *Köroglu*, a "humorous" but didactic and to some extent

(1) Not printed.

officially inspired bi-weekly publication, which claims to have the largest circulation in the country, publishes in a recent number a picture of a Turkish destroyer over a short description of the President's tour, concluding as follows:—

> "The waters of the Mediterranean have seen Turkish destroyers, Turkish guns, Turkish flags, and Atatürk at the head of all, a real Turkish holiday. It has thus been shown to friends and enemies alike that the Turkish coast is 'a Turk son of a Turk,' and that is enough said to make things clear even to those who will not understand."

I have, &c.
PERCY LORAINE.

[E 1539/158/44] No. 32.

Sir P. Loraine to Sir John Simon.—(*Received March 7.*)

(No. 106.)

Sir, *Angora, March* 2, 1935.

I HAVE the honour, with reference to my despatch No. 83 of the 15th February, regarding the parliamentary elections in this country, to report that the fifth Grand National Assembly held its inaugural session yesterday. The first three hours were devoted to swearing in the Deputies one by one, a monotonous performance, endured with little patience by the heads of mission who had been officially, but unnecessarily, invited to attend it. Voting for the President of the Grand National Assembly then took place. Abdülhalik Renda, who, in February 1934, gave up the portfolio of Minister of Finance on account of eye trouble, was elected, in place of Kâzim Özalp, who had been president of each previous Assembly since 1924.

2. The decision to replace Kâzim Özalp by Abdülhalik Renda was only taken by the President of the Republic a few hours before the event, and was, of course, given effect to by the members of the Assembly without a dissentient voice. The reasons for the step are, as yet, unknown. Kâzim Özalp, who, as President of the Grand National Assembly, was Vice-President of the Republic, and, therefore, the second personage in the State, seems to have been treated very cavalierly in being kept in the dark until the last moment about the impending change in his fortunes. Some consolation has been afforded him by his appointment to the Ministry of National Defence.

3. After the election of Abdülhalik Renda, the Assembly proceeded to the election of a President of the Republic. Kamâl Atatürk was unanimously re-elected President, and the news of the re-election was at once conveyed to him at Çankaya. The interval between this notification and the appearance of the President before the Assembly was remarkable for the unbroken silence which fell on the hitherto chattering Deputies, and for the tensity of the attitudes in which they sat. On the appearance of Kamâl Atatürk and his mounting the rostrum to read the terms of his promise (not oath, as Allah is no longer a party) faithfully to fulfil his presidential duties, he was greeted by thunderous and prolonged applause, and it was obvious from the aspect of the Deputies that Atatürk not only inspires in them fear but also affection. This is less surprising in that all the Deputies owed their presence before him to him alone. His short speech to the Assembly (now hailed by him as the Kamutay—a new word which replaces the short-lived Kurultay) was only remarkable for the fact that the phrase "Ladies and Gentlemen," for the first time in the history of the Grand National Assembly, formed its preface. The newly re-elected President then left the Assembly Chamber, and received the much enduring—but, in Angora, not very godlike—heads of mission in another part of the building.

4. Subsequent to this, the Assembly again went into session and listened to the reading of two messages from the new President of the Republic, one announcing that the Cabinet of Ismet Inönü had resigned, and the other announcing the formation of a new Cabinet under the leadership of Ismet Inönü. The

new Cabinet differs from the old only as regards the Ministry of National Defence, where Kâzim Özalp, ex-President of the Grand National Assembly, succeeds Zekâi Apaydin.

I have, &c.
PERCY LORAINE.

E 1568/10/44

No. 33.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 28.)
(Telegraphic.) R. *Foreign Office, March* 9, 1935.

YOUR telegram No. 7 of 3rd March: Anglo-Turkish commercial negotiations.

Paragraph 1.—I approve, but trust that this will not cause delay, as early agreement is essential in interests of United Kingdom trade.

Paragraph 2.—It would be politically impossible to defend grant of tariff concessions to Turkey as part of a pure balance of payments agreement, which would inevitably result in reduction of United Kingdom exports to Turkey. If discussion proceeds on basis of balance of payments, tariff concessions must therefore be ruled out. In any case it appears doubtful whether tariff concessions on certain types of Turkish produce would suffice to enable United Kingdom traders to purchase them in competition with "clearing" countries, since question is not really one of price, and clearing countries will in any case continue to make forced purchases on non-commercial terms in order to keep clearings working. It should also be borne in mind that for classes of Turkish goods available as "compensation" exports, it will be possible for United Kingdom traders to offer enhanced prices, which will make purchase in competition with, *e.g.*, Germans, a business proposition, through corresponding enhancement of prices of United Kingdom goods sold in exchange to Turkey.

Paragraph 3.—Suggestion that exchange should be made available solely by priority of customs declaration without distinction between different classes of goods would seem to involve risk that exporters will rush in goods in endeavour to forestall each other, and large accumulation of unpaid goods may thus mount up, leading to renewed agitation. It is understood that such difficulties are being experienced by countries having clearing agreements with Turkey. It would be desirable if possible to devise some means by which the rate at which imports are admitted would bear close relation to exchange available to pay for them. I should be glad of any suggestions you can make for achieving this result. Description will be sent you by despatch of systems in force in other countries such as Germany.

Paragraph 4.—If allocation of exchange by groups of commodities, as suggested in my telegram No. 23 of 23rd February is impracticable, then I agree that special provision should be made for goods held up in customs. In that case provision should be such as to enable such stocks to be cleared within about six months. Period should not be appreciably shorter, as otherwise excessive restriction of new trade would result, and moreover many importers might be unable to take over such large stocks at short notice.

Following are additional points—

(1) Suggested list of Turkish goods to be available as compensation exports is in preparation and will be sent you very shortly.

(2) Possibility is being explored here of finding means whereby stocks of Turkish tobacco at present warehoused in various continental ports for eventual re-export to United States and other destinations might, instead, be warehoused in ports in this country. This may not prove feasible, but I shall be glad to learn whether, if it could be arranged, such tobacco would in your opinion be allowed to count to United Kingdom credit under balancing scheme. These stocks are often held in warehouse for appreciable periods.

(3) Further question under examination is treatment of re-exports from United Kingdom under quotas or balancing scheme. It will clearly be desirable, if possible, to confine the limited factories available for exports to goods of United Kingdom origin. I understand that Turks make practice of attributing re-exports to countries of origin. If so, I am disposed to consider that no provision

need be made under a balancing scheme for re-exports, which can be left to take care of themselves. If you agree, facilities for importation of tea should not be asked for, and accordingly this item should be deleted from the list transmitted with my despatch No. 479 of 29th November, 1934. Further, a definite provision might be inserted in the agreement to the effect that re-exports from the United Kingdom to Turkey shall not be attributed to the United Kingdom under balancing scheme. I should welcome your views on this question also.

(4) Commercial secretary's telegram No. 4 of 2nd March to Department of Overseas Trade states that as from beginning of April (*a*) no quotas will be allocated for a number of items, which will thenceforward presumably be prohibited entirely from all sources, and (*b*) a number of other items will be transferred from Free List to List KL. Imports from United Kingdom in 1932 under (*a*) were to value of some £T. 1,526,000, and included such important items as various woollen tissues, cotton tissues, tissues of wool and cotton mixed, and tinplate; of these last-mentioned item is still on free list. In 1932 Turkish imports from United Kingdom of items under (*b*) were to value of some £T. 663,000, and included various woollen and cotton yarns and tyres.

Changes to be made in April will presumably mean loss of large part of such trade as still remains open to us. It is, therefore, most urgent that at any rate main lines of agreement should be reached by end of this month, and I request you to use your utmost efforts to this end.

I shall be glad to learn whether items falling under (*a*) above will be definitely prohibited, even if an agreement is reached.

E 1693/10/44

No. 34.

Sir P. Loraine to Sir John Simon.—(*Received March* 12.)

(No. 45.)
(Telegraphic.) R. *Angora, March* 12, 1935.

YOUR telegram No. 28.

Paragraph 1.—On 9th March my representatives explained to Turkish delegates scheme for an agreement based on balance of trade. Reaction of Turks was unfavourable, but they promised to give shortly their considered opinion on the scheme.

Paragraph 3.—I maintain my view that exchange should be made available by Turkey solely by priority of customs declarations. Risk of accumulation of stocks which you mention can be avoided by institution of a bottle-neck control in the United Kingdom, whose duty it would be to prevent exports leaving the United Kingdom of a greater value than exchange available for payment of them. Your suggestion that available exchange should be allotted between different classes of United Kingdom goods is feasible only if duty allotment is entrusted to control body in the United Kingdom.

The control could be, for example, exercised by Association of British Chambers of Commerce in the United Kingdom or some other approved body. Arrangements would have to be made that all applications for certificates of origin of exports to Turkey should be submitted to a central control body, who would then (*a*) restrict exports if necessary, (*b*) allot available exchange to different classes of goods.

Possibly you may find that Turco-Belgian system described in Foreign Office despatch No. 362 of 6th September and despatch No. 385 of 19th September, 1934, might be usefully adopted in the United Kingdom.

Paragraph 4.—The clearance of stocks lying in customs free of quota restrictions will naturally absorb available exchange for a long period; and therefore it would seem preferable to restrict new trade to a very considerable extent, or even hold it up, with the exception of Government purchases on long-term credit.

As early or later clearance of goods depends on date of declaration of such goods by importers to the customs authorities, it is clear that as old stocks have been declared before any new stocks, they are all entitled to be cleared before new stocks.

An alternative to above would be allocation of a fixed percentage of available exchange every month for the purpose of clearing old stocks. The fixation of a time-limit would not then be necessary.

As regards additional points :—

(2) I very much doubt whether stocks of tobacco diverted to United Kingdom from other countries abroad and placed in bond in the United Kingdom would be allowed to count to United Kingdom credit.

(3) I agree that it is most desirable to confine the limited facilities available for exports to goods produced or manufactured in the United Kingdom. In this connexion, is the term re-exports considered by you to cover re-export from bond in the United Kingdom or re-export of goods of foreign origin which have been cleared through United Kingdom customs and subsequently re-exported?

Great care should be taken when issuing certificates of origin clearly to specify whether goods mentioned therein are produce or manufacture of the United Kingdom. If they are not, the certificates should state their true origin.

(4) Items falling under (*a*) would probably be definitely prohibited even if agreement is reached. If I were to urge that they should not be prohibited, Turks would want a *quid pro quo*.

[E 1745/10/44] No. 35.

Sir P. Loraine to Sir John Simon.—(*Received March* 14.)

(No. 47.)
(Telegraphic.) R. *Angora, March* 14, 1935.

MY telegram No. 45.

The chief Turkish delegate, in a private conversation on 11th March, informed my representatives that he would submit certain counter-proposals in about a fortnight. He attributed this delay to coming Bairam holiday and his absence from Angora. He thought it would be found that counter-proposals would ensure a fair deal for both sides and gave an outline of them as follows :—

(*a*) He admitted possibility of Turkey's extra-commercial debts and invisible exports to the United Kingdom being equally balanced by her invisible imports from the United Kingdom and asked to be supplied with British estimate of invisibles. (I am having this prepared.) He went on to say that if the balance on invisibles was found to be adverse to Turkey, it could be compensated for by a deduction from monthly exchange to be released by Turkey.

(*b*) He said that Turkish Government would be prepared to release each month for imports of United Kingdom goods into Turkey exchange equivalent to value of United Kingdom imports from Turkey in the last month but one, but would object to the use of United Kingdom statistics as a basis for establishing the value of Turkish exports to the United Kingdom. They would suggest that all certificates of origin accompanying Turkish exports to the United Kingdom should be stamped by the United Kingdom customs authorities as and when these exports are cleared through the customs in the United Kingdom; these stamped certificates of origin would be collected by central customs authorities in the United Kingdom each month and despatched to the competent authority in Turkey, who would fix as amount of exchange to be released in any one month the total value of Turkish goods mentioned in the stamped certificate of origin of the last month but one.

(*c*) With regard to British proposals about the right to send additional United Kingdom exports to Turkey on despatch of goods on a compensation basis to the United Kingdom and countries other than the United Kingdom, he said the Turkish Government would wish to specify these countries. They wished to exclude certain countries, notably Brazil, from the arrangement.

The Turkish delegate then expressed a fear that British proposals aimed at maintenance in being of article 16 of Anglo-Turkish Treaty of 1930 and at prolonging that treaty beyond its term. My representatives were able to reassure him on these points, whereon he volunteered the statement that treaty of 1930, with the exception of article 16, could in due course easily be renewed in its entirety.

I will make every effort to reach an agreement before 1st April, but this may not be possible. I suggest that United Kingdom exporters should in the meantime refrain from shipping goods other than those figuring in List S (*i.e.*, the free list) of decree 2–1156 enclosed in commercial secretary's despatch O.T.B. 259–34 of 30th August, 1934.

[E 1746/10/44] No. 36.

Sir P. Loraine to Sir John Simon.—(*Received March* 14.)

(No. 48.)
(Telegraphic.) *Angora, March* 14, 1935.

MY immediately preceding telegram.

Invisibles.—I am preparing a list and am hopeful of being able to convince Turks that difference between Turkish invisible imports from and exports to United Kingdom is unimportant. Should I include sanitary dues which Turkish Government is illegally levying on British shipping passing through the Straits (see your despatch No. 103 of 22nd February, 1935)? Inclusion would, of course, entail recognition of Turkey's future right to levy such dues. If they were included in invisibles, result would probably show a credit due to United Kingdom. The Turks have hitherto held that they were in credit on invisibles.

Turkish proposal reference certificates of origin. If you find this feasible, it would help me towards reaching an agreement.

General.—The suggestions of Turkish delegate seem to be not incompatible with instructions contained in your telegram No. 28.

[E 1792/278/93] No. 37.

Sir F. Humphrys to Sir John Simon.—(*Received March* 18.)

(No. 130.)
Sir, *Bagdad, March* 6, 1935.

WITH reference to my telegrams Nos. 54 and 56 of the 28th February and the 4th March, I have the honour to report the circumstances of the resignation of Ali Jaudat Beg's Cabinet and the return to the premiership of Jamil Beg Al Madfai.

2. For the past two months Rashid Ali-al-Gilani, Hikmat Suleiman and Taufiq Suwaidi, together with a number of extreme Nationalists, have been seeking, by all the means in their power, to force Ali Jaudat to resign. They organised a strong Opposition *bloc* in the Senate and, by intriguing with disaffected tribal elements in the Middle Euphrates area, they brought about a state of unrest which might have developed into an armed outbreak against the Government. Ali Jaudat also had difficulty with his colleagues. Arshad-al-Umari had made himself unpopular by his drastic dismissals of senior personnel from the departments under his Ministry (Economics and Communications) and had incurred popular opprobrium on account of his loose living. Jamil Beg Al Madfai, who commanded the largest vote in the Chamber, threatened to resign whenever the smallest difference of opinion occurred between him and his chief.

3. Ali Jaudat endeavoured to face the situation with firmness, and sought to strengthen his position by reorganising his Cabinet. His plan was to drop Arshad-al-Umari and to persuade Jamil-al-Madfai to accept the Presidency of the Chamber. He failed, largely because Jamil-al-Madfai threatened to resign and join the Opposition if Arshad-al-Umari were asked to withdraw. Ali Jaudat's resourcefulness was not equal to dealing with this situation, and, in spite of encouragement from Nuri Pasha, he gave up the struggle and resigned.

4. Acting on the advice of the Presidents of the Senate and Chamber, and of Ali Jaudat himself, the King then sent for Yasin Pasha and entrusted him with the task of forming a Cabinet. His Majesty stipulated that this should be a Coalition or National Cabinet, that none of those who had recently taken part in intrigues with the Euphrates tribes should be included, and that he should not be asked again to dissolve the Chamber. These conditions were, in my opinion, wise, and their necessity was recognised by Yasin Pasha himself. A

party Cabinet chosen from the Ikha-al-Watani (party of National Brotherhood), to which most of the Opposition belonged, could not have secured a working majority in the Chamber, and to have dissolved a Chamber which had scarcely been in existence for three months would have made the machinery of parliamentary government appear absurd. Similarly, to have brought into office the men who had been principally instrumental in stirring up turbulent tribal elements would have created a dangerous precedent which might have led to serious consequences in the future.

5. Yasin Pasha found, however, that these conditions presented insuperable difficulties. Representatives of the Wihdah, the majority party in the Chamber, would not serve with him unless Ali Jaudat was also given a portfolio, and his own associates in the Opposition would not agree to enter a Cabinet of which Ali Jaudat was a member. He was therefore obliged to admit failure and to give up the attempt to form a Government.

6. The King next sent for Jamil-al-Madfai, who, on the 3rd March, obtained Royal approval for the following Cabinet:—

Prime Minister: Jamil-al-Madfai.
Interior: Abdul Azziz-al-Qassab.
Finance: Yusuf Ghanimah.
Foreign Affairs: Nuri Pasha.
Justice: Taufiq Suwaidi.
Defence: Rashid-al-Khoja.
Economics and Communications: Amin Zaki.
Education: Abdul Husain Chalabi.

7. Considered individually the Cabinet has many good qualities. The Prime Minister is popular and enjoys a reputation for honesty. Nuri Pasha has a extensive experience of Iraq's foreign affairs and always works amicably with His Majesty's Embassy. Abdul Azziz-al-Qassab combines a detailed knowledge of administration with the experience gained during several previous terms of office. Rashid-al-Khoja, Amin Zaki and Yusuf Ghanimah are moderate and reasonable men well acquainted with the business of the departments which they will now direct. On the other hand, the Prime Minister is well known to hold unsound views on the subject of the Assyrians and to be ill-disposed towards the retention of British officials in administrative positions. Taufiq Suwaidi is not trustworthy, and his appointment to the Ministry of Justice is therefore not well conceived.

8. In spite, however, of the merits of the majority of its members, it is somewhat doubtful whether the new Cabinet will be able for long to carry on the government of the country, or to deal effectively with the present political situation. They are, it is true, assured of a strong majority in the Chamber, but this did not save the previous Cabinet from collapse. The presence of Taufiq Suwaidi brings the support of his brother, Naji Pasha, and a consequent diminution of opposition in the Senate, but there seems at present little likelihood that the change of Cabinet will result in any weakening of the campaign of opposition which has recently been carried on by Rashid Ali and Hikmat Suleiman and their associates. Nor does it seem probable that this reshuffling of portfolios will in itself put an end to unrest on the Euphrates. Positive steps must be taken to deal with both these factors if the new Cabinet are to establish their authority and remain long in office, and I am by no means convinced that they are equal to the task.

9. At a meeting of the Chamber held on the 5th February, the new Prime Minister made a short pronouncement of policy, the main part of which was a declaration of the intention of his Cabinet to carry on the construction work begun but not completed by their predecessors. At the same meeting Ali Jaudat Beg was elected President of the Chamber in place of Rashid-al-Khoja.

10. I am snding copies of this despatch to His Majesty's Ministers at Tehran and Jedda.

I have, &c.
F. H. HUMPHRYS.

[E 1830/10/44] No. 38.

Sir John Simon to Sir P. Loraine (Angora).

(No. 32.)
(Telegraphic.) R. *Foreign Office, March* 20, 1935.

YOUR telegram No. 47 of 14th March: Anglo-Turkish commercial negotiations.

I am glad that Turkish Government are now showing some readiness to come to terms, but you should press them strongly, if necessary enlisting personal intervention of Minister for Foreign Affairs, to produce their counter-proposals by 24th March so that they may be considered before new restrictions come into force on 1st April. These restrictions will inevitably reduce Turkish imports from United Kingdom far below level of United Kingdom imports from Turkey, and as some measure of agreement has been reached on essential principles of new arrangement, you should endeavour to ensure that pending its conclusion United Kingdom will continue after 1st April to be allowed to import into Turkey items which are then to be transferred to List KL.

I take Turkish suggestion in paragraph 1 (*b*) to be that certificates of origin should show f.o.b. value of Turkish exports concerned. United Kingdom Customs have no statutory power to require certificates of origin in such circumstances, and adoption of proposal would entail extra administrative work. If it were left to importers to produce the certificates voluntarily we might get the worst of bargain, and would be no better off than if Turks themselves collected the statistics at time of exportation. You should put to Turks alternative suggestion that United Kingdom import figures should be adopted subject to deduction of an agreed percentage, say 10 per cent., for freight and insurance. I am anxious, however, that time should not be lost in lengthy consideration of detailed questions such as this.

As regards paragraph 1 (*c*), existence of compensation facility should provide inducement to purchase Turkish produce and thus stimulate mutual trade. It appears desirable therefore that as many items of Turkish produce as possible, instead of a limited list such as was contemplated in my telegram No. 28 of 9th March, should be made available as compensation exports, and that they should be exportable to as many countries as possible, provided, however, that—

(1) Coal must be excluded.
(2) Compensation should be negotiable and not individual.
(3) Dominions to which compensation goods may be exported should not be listed by name (otherwise consultation with them would become necessary). If a list of countries is necessary, it should specify those excluded rather than those included. Why do Turks particularly wish to exclude Brazil?
(4) For compensation purposes Turkish imports and exports should be valued on the same basis and in case of imports Turkish duties and taxes should be excluded.

It would, of course, be necessary for record to be kept of all compensation transactions so that they might be kept separate from normal trade entering into the balance of payments. Turkish Government would be expected to supply copies of this record monthly to commercial secretary so that check might be kept on United Kingdom side.

In event of agreement being reached to cover Turkish import restrictions, His Majesty's Government would be prepared to consider arrangement on lines indicated in penultimate paragraph for continuance of 1930 Treaty.

United Kingdom exporters have been warned in sense of last paragraph.

[E 1830/10/44] No. 39.

Sir John Simon to Sir P. Loraine (Angora).

(No. 33.)
(Telegraphic.) R. *Foreign Office, March* 20, 1935.

YOUR telegram No. 48 of 14th March: Anglo-Turkish commercial negotiations.

Please telegraph details of your estimate of invisibles.

You should include sanitary dues, but in doing so you should make it clear that His Majesty's Government maintain their view that these dues are being improperly levied. Allowance must, however, be made for them so long as they are in fact being paid.

[E 1830/10/44] No. 40.

Sir John Simon to Sir P. Loraine (Angora).

(No. 34.)
(Telegraphic.) R. *Foreign Office, March* 20, 1935.

YOUR telegram No. 45 of 12th March: Anglo-Turkish commercial negotiations.

Disastrous experience of countries having clearings with Turkey demonstrates importance of securing some safeguard against accumulation of unpaid stocks. Could not Turks institute system on German model requiring importers to obtain foreign exchange certificates before exchange can be released to them to pay for imports? United Kingdom exporters could then satisfy themselves in advance that payment would be forthcoming. This would seem simplest solution. Export control enforced by legislation on this side could not be contemplated; but a mixed Anglo-Turkish committee could perhaps be set up in Turkey, to which importers would be required to apply for prior approval of import permits within limits of exchange available. Any system which would leave allotment of exchange solely in hands of Turkish authorities would present obvious dangers. Please telegraph your views on feasibility of above suggestions.

I understand stocks held up in customs are nearly all textiles, and to avoid complete hold-up of other trade while these are being cleared I am disposed to favour allocation of a percentage of available sterling monthly at rate sufficient to clear stocks in about six months. It should further be permissible to clear held-up goods against compensation exports.

By re-exports is meant items shown as such in United Kingdom trade returns, *i.e.*, including goods cleared through United Kingdom customs and subsequently re-exported.

Certain of the goods of which the importation from the United Kingdom is to be stopped as from 1st April are important for our trade, and you should press for facilities for them as indicated in lists accompanying my despatch No. 479 of 29th November, 1934. Any Turkish counter-demand can be considered when made.

[E 1876/30/44] No. 41.

Sir P. Loraine to Sir John Simon.—(Received March 21.)

(No. 110.)
Sir, *Angora, March* 8, 1935.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 260 of the 26th May, 1934, in which he reported the allocation by the Turkish Government of £T. 46 million for the purchase of ships, repairs to and construction of naval bases, to inform you that, according to the press, negotiations are proceeding with two German firms for the modernisation of the old arsenal at Kasimpasa on the Golden Horn.

2. According to a report which has reached the commercial secretary to this Embassy, two German firms have offered to collaborate either with the State or with private interests to equip the Kasimpasa arsenal with machinery to be

transferred from Bremen and Duisburg, so that the arsenal would be able to meet any modern engineering need. These firms propose, it is stated, to furnish machinery as a contribution towards the constitution of a company in which they would themselves have an important interest. The German idea is believed to be to supply steel and machinery for new vessels for general purposes, said to be ten in number and from 3,500 to 5,000 tons displacement, together with all subsequent steelwork required for general engineering construction which would in the future be undertaken for State Departments when the arsenal was in a position to carry out such work.

3. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 2201/36/44] No. 42.

Sir P. Loraine to Sir John Simon.—(Received April 4.)

(No. 148.)
Sir, *Angora, March* 30, 1935.

IN paragraph 12 of my telegram No. 1, Saving, of the 10th February to you, I had the honour to inform you that there had been a beginning of an improvement in Italo-Turkish relations, and since that time the Turkish Minister for Foreign Affairs has assured me several times of the sincere desire of the Turkish Government to get these relations on to a better, more cordial and more trustful basis, so far as things depend on them. From the remarks which I have made on such occasions, his Excellency can be in no doubt but that the aims of the Turkish Government as thus described will enjoy the sympathy of His Majesty's Government, and that the latter would cordially welcome an improvement in Italo-Turkish relations.

2. Two days ago I had the opportunity of some rather fragmentary speech with M. Tevfik Rüştü Aras at a social gathering, and his Excellency used the occasion to tell me, privately, that the task was proving rather an uphill one. There was, as you know, the beginning of a *détente* after the Franco-Italian understanding reached in Rome, and after the explanations sought by the Turkish Government had clarified the position for them with respect to the scope and intention of certain aspects of that understanding. An allusion was made to this explanatory process in paragraph 3 of my Saving telegram under reference.

3. A further stage of that *détente* appeared to have been reached when the conciliatory message from Signor Mussolini to Yugoslavia was conveyed by the newly-appointed Italian Minister to Belgrade on the occasion of the presentation of his letters of credence. M. Aras tells me, however, that the position as between Italy and Yugoslavia—which repercusses immediately on that between Italy and Turkey—was not as good as these superficial indications might lead one to suppose. I gathered from him that the Yugoslav Government were aware beforehand of the message that it was intended to convey, but that shortly before its actual delivery the text was altered by Signor Mussolini in such manner as to render it appreciably less agreeable to Yugoslavia. M. Aras surmised that this alteration had been made in deference to Hungarian susceptibilities; however that might be, the result had not been nearly so propitious nor as useful in allaying Yugoslav suspicions of Italy as could have been wished. M. Jevtitch, indeed, so I gathered, had been considerably put out, and I was given to understand that it was largely owing to the moderating counsel of his Turkish friends that the Yugoslav Prime Minister was dissuaded from rejecting the Italian advance.

4. Then there had been Signor Mussolini's speech, at the annual celebration of the foundation of the Fascist party on the 23rd March, with its uncomforting allusion to the millions of blackshirt-borne bayonets which were there to support Italy's share in European collaboration—and to overthrow irresistibly all obstacles that stood in Italy's path. The Duce, his Excellency pointed out, could hardly have chosen a more inopportune moment for his utterance, which was couched in a characteristically bellicose vein. The speech had naturally made a bad impression in Turkey; but, his Excellency went on to say, the Turkish Government had taken no umbrage, and intended to maintain, uncharacteristically

for them in such circumstances, an unruffled attitude. They did not wish, he said, even under this degree of provocation, to jeopardise the still tender growth of better relations with Italy, but above all were they anxious to avoid raising any question that might hinder or even embarrass the efforts now being made to organise collective peace and security in a scheme of international co-operation. They realised the high issues that were at stake, and they recognised the duty of making such contribution as they could, even if negative, to their successful handling.

5. After all, his Excellency went on to say, experience had shown a strange contrast between Signor Mussolini's acts and Signor Mussolini's words. The former were usually moderate; the latter almost invariably immoderate. Perhaps, after all, his bark was worse than his bite.

6. I observed to his Excellency that Signor Mussolini must needs share with humbler mortals the sometimes inconvenient necessity of being the prisoner of his own past. He had accustomed the Italian public to emphatic and virile assertions of Italy's strength and power: and no doubt the appetite thus created had continuously to be fed. I was myself glad that the Turkish Government had shown restraint, and I did not believe they would be the losers for having done so.

7. I continue to hold the opinion that Turkey's desire to facilitate, by such means as may be at her disposal, the stabilisation of peace and the promotion of international goodwill is perfectly genuine. I do not wish it to be understood from this that I attribute to the Republican Government of Turkey any abnormal, or congenital degree of altruism. To my thinking, the rulers of republican Turkey have reached the conclusion—the correct conclusion—that the continuance of an independent and individual Turkish State depends on a state of continuous peace, and that the foundation of continuous and stable peace is impossible without international understanding, goodwill and co-operation. But the co-operative part of it must include, and not exclude, Turkey. The hostile complex created by the Great Power pact *à quatre* concluded on Signor Mussolini's initiative still subsists vigorously in this country.

8. I am sending copies of this despatch to His Majesty's representatives at Rome and Belgrade.

I have, &c.
PERCY LORAINE.

E 2283/10/44

No. 43.

Sir P. Loraine to Sir John Simon.—(*Received April 8.*)

(No. 156.)

Sir, *Angora, April 4, 1935.*

I HAVE the honour, with reference to my telegram No. 61 of the 28th March, regarding the Anglo-Turkish commercial discussions, to inform you that I have just received the Turkish counter-proposals, a copy of which I enclose herewith. I have not yet received Lists I and II mentioned in article 2 of the counter-proposals, but I understand that they are being prepared, and will reach me shortly. The list CB mentioned in article 8 of the counter-proposals is to be prepared by His Majesty's Government, and I shall be glad to receive it from you as soon as possible.

2. I have instructed my representatives to take up at once with the Turkish delegates such points in the proposals as have already been the object of instructions by you and hope, in a day or two, to inform you of the result of these representations, and to send you my observations on the counter-proposals as a whole.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 43.

Projet pour un Accord commercial entre la Turquie et le Royaume-Uni.

LE Gouvernement de la République turque et le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, désireux de faciliter les relations commerciales entre les deux pays, en tenant compte des conditions économiques exceptionnelles qui ont amené la Turquie à appliquer à tous autres pays le principe de la balance des paiements, sont convenus de ce qui suit :

ARTICLE 1er.

Les marchandises d'origine et de provenance du Royaume-Uni énumérées dans la Liste I seront importées en Turquie sans aucune limitation de quantité, et celles énumérées dans la Liste II dans les limites des contingents alloués à chaque article.

Le Royaume-Uni aura de plus le bénéfice du régime de contingentement général en vigueur.

ARTICLE 2.

Aucune limitation de quantité ni restriction de devises ne sera imposée par le Gouvernement du Royaume-Uni en ce qui concerne les exportations de marchandises turques au Royaume-Uni pendant la durée du présent accord.

ARTICLE 3.

Les produits d'origine et de provenance du Royaume-Uni achetés par le Gouvernement turc ou par les municipalités seront importés hors contingentement pourvu que lesdits produits soient admis à l'importation par la Liste II ci-annexée ou par le régime général de contingentement en vigueur.

ARTICLE 4.

Les produits d'origine et de provenance turques repris dans la Liste F seront admis au Royaume-Uni en franchise douanière.

Le Gouvernement du Royaume-Uni s'engage à ne pas appliquer aux produits turcs figurant sur la Liste R ci-annexée des droits de douane plus hauts que ceux indiqués dans cette même liste.

ARTICLE 5.

Toutes les marchandises qui seront exportées de part et d'autre après la mise en vigueur du présent accord devront être accompagnées d'un certificat d'origine délivré, en double exemplaire et conformément au modèle annexé au présent accord, par la chambre de commerce du pays exportateur et visé par le consul de pays importateur.

Ces certificats porteront la valeur f.o.b. des marchandises aux ports d'expédition.

Le duplicat B des certificats d'origine accompagnant les marchandises d'origine du Royaume-Uni importées en Turquie sera estampillé par la douane turque et remis à la Banque centrale de la République de Turquie, qui effectuera alors le paiement aux ayants droit britanniques selon les dispositions de l'article 6 du présent accord.

Le duplicat B des certificats d'origine accompagnant les marchandises d'origine turque importées au Royaume-Uni sera estampillé par la douane d'entrée au Royaume-Uni et retourné par ses soins à la Banque centrale de la République de Turquie, qui contrôlera ainsi les disponibilités du compte spécial prévu à l'article 6 du présent accord.

ARTICLE 6.

Les créances résultant des exportations turques au Royaume-Uni seront payées aux ayants droit turcs en devises librement transférables.

Les exportateurs turcs seront tenus de vendre les devises ainsi payées par leurs débiteurs britanniques, à la Banque centrale de la République de Turquie

ou à toute autre banque turque désignée par la Banque centrale de la République de Turquie.

Les 70 pour cent des devises ainsi payées par les importateurs britanniques seront portées, au cours du jour, en un compte spécial A en livres turques, non productif d'intérêt, ouvert à la Banque centrale de la République de Turquie, et le restant des 30 pour cent en un compte spécial B, non productif d'intérêt, également ouvert à la Banque centrale de la République de Turquie.

Les produits du compte A susmentionné seront employés à payer les créances provenant d'exportations britanniques en Turquie.

Les importateurs turcs s'acquitteront de leurs dettes envers leurs fournisseurs britanniques en versant à leur échéance, au cours du jour, la contre-valeur en livres turques de leurs dettes, à la Banque centrale de la République de Turquie.

La Banque centrale de la République de Turquie transférera alors aux ayants droit britanniques le montant de leurs créances, au cours du jour, dans les limites des disponibilités du compte A susmentionné et suivant l'ordre chronologique des versements effectués.

ARTICLE 7.

Les produits d'origine et de provenance turques importés par les soins des commerçants britanniques dans les Dominions de Canada, Australie, Nouvelle-Zélande et Union de l'Afrique du Sud, pourront être enregistrés au profit du Royaume-Uni tant qu'il n'y aura aucun arrangement commercial entre ces dominions et la Turquie.

Ces exportations turques seront accompagnées des certificats d'origine délivrés par la Turquie en double exemplaire. Le duplicat B sera estampillé et retourné à la Banque centrale de la République de Turquie par les douanes du pays importateur.

ARTICLE 8.

Les marchandises d'origine et de provenance turques reprises dans la Liste CT et les marchandises d'origine et de provenance du Royaume-Uni énumérées dans la Liste CB, ci-annexées, pourront faire l'objet de compensation privée sans limite ou dans les limites des contingents assignés à chaque article sur ces mêmes listes.

Les opérations de ce genre seront soumises aux règlements régissant en Turquie les compensations conventionnelles.

ARTICLE 9.

Il est bien entendu que les produits des deux pays contractants jouiront, pendant la durée du présent accord, du traitement de la nation la plus favorisée en ce qui concerne le tarif douanier.

ARTICLE 10.

Le présent accord entrera en vigueur quinze jours après sa signature et restera valable pendant une année.

S'il n'est pas dénoncé deux mois avant la fin de cette période, il sera prolongé pour une autre période d'une année.

Fait à Ankara, en double exemplaire, le

Liste CT.

Opium.
Fruits frais.
Légumes secs.
Tabac.
Vins et spiritueux.
Œufs.
Matières colorantes végétales.
Gomme adragante.

Liste F.

Noisettes.
Figues et tourtes de figues.
Matières tannantes.
Mohair.
Peaux non ouvrées de toutes sortes.
Tronc de noyer.
Bois de buis.
Bois de charpente de toutes sortes.
Minerais :
Chrome, cuivre, antimoine, émeri, &c.

Liste R.

Noix, Amandes, Pistaches } 10 pour cent *ad valorem*.
Raisins secs, 7*s*. per cwt.
Tapis et kilim en laine, en soie et en soie artificielle, 10 pour cent *ad valorem*.
Œufs :
Les 120 pesant jusqu'à 14lb., 1*s*.
Les 120 pesant 14–17lb., 1*s*. 6*d*.
Les 120 pesant plus de 17lb., 1*s*. 9*d*. per great hundred.

E 2407/919/44 | No. 44.

Sir P. Loraine to Mr. Stanley Baldwin.—(*Received April* 12.)

(No. 69.)
(Telegraphic.) *Angora, April* 11, 1935.

I SAW Turkish Minister for Foreign Affairs before his departure for Geneva yesterday evening.

He tells me that he feels bound to speak to you in Geneva about the demilitarised zones. You are already aware, especially from my telegram No. 3, Saving, of his views in that connexion. Question that puts itself now, however, is not that of Bulgarian rearmament by unilateral action similar to that taken by Germany (see my telegram No. 58), but of legalised rearmament of Bulgaria and other ex-enemy States in any general scheme of European reorganisation on the basis of security and equality of rights as foreshadowed by declaration of 1932.

Turkey, while wishing wholeheartedly for the success of any such scheme, while prepared for her part to give every support she can to efforts of His Majesty's Government to secure it, and recognising that British views, ideals and influence will be the predominant factor, has nevertheless a special interest in this corner of such general settlement. She considers that legalised Bulgarian rearmament (1) undermines basis on which her consent was given to demilitarised zones in the Treaty of Lausanne, essential condition of which was a disarmed Bulgaria; (2) creates a new element of insecurity for her; (3) leaves her saddled with the only remaining military servitude among those created by treaties of peace, a condition which Turkish opinion cannot possibly be persuaded to accept.

In his Excellency's view, Turkey must seek a remedy to these disabilities: he considers it best to seek it now; within hoped-for scheme of general security, and at a moment which excellent relations with the United Kingdom and notable improvement in Anglo-Russian relations render particularly propitious.

I reminded him of language you had held to him at Geneva last May. He pointed out that the matter had not then been closed to future discussion should need arise, and he maintained that the need had arisen.

I told him I did not believe that his conception of a "military servitude" would be shared by you. In British view, Turkey, in the matter of the Straits, enjoyed guarantee of assistance by Lausanne signatories in the event of attack. He said that was so; but reiterated that a disarmament of Bulgaria was a basic condition of that settlement, and that disappearance of that condition seemed probable. He did not *wish* to go outside the treaty, but if treaty were to continue

to operate, he must know definitely how guarantee covering Turkey was to act and how it would be implemented. The only guarantee that was important to him was that of His Majesty's Government. Could and would His Majesty's Government guarantee they would come to Turkey's assistance if her Straits territory was attacked? If they could, the question was settled, Turkey would be amply satisfied with some Anglo-Turkish agreement of mutual assistance made publicly and within framework of League of Nations. He could then show Turkish public opinion that a sure guarantee had been secured for the lost guarantee of Bulgarian disarmament. He was going to put this question to you.

I enquired what the other Powers would think about this, notably Russia and Italy.

He said that Russia would have no objection. He reminded me Russia would need Turkish consent before she concluded Franco-Russian mutual assistance agreement which French Government had just proposed. Similarly, Turkey would need Russian consent to an Anglo-Turkish agreement such as he had outlined.

The two could balance, he hinted; but added that Russian opinion had become so far more favourable to United Kingdom since Mr. Eden's visit to Moscow that Russian consent would in these circumstances probably be forthcoming.

As regards Italy, his Excellency alluded to recent proposal of Italian Government for a tripartite agreement with Turkey and Greece (see Athens telegram No. 13, Saving). The reply had been given that if the other two members of Balkan *Entente*, and even, should Italy so desire, Roumania and Albania likewise were included, the Turkish Government were not only willing to participate, but also within the framework this created to make bilateral arrangements with Italy for mutual security. He did not think there could be any difficulty with Italy. From a general thesis which he had previously enunciated, I think he also meant to imply that agreements for mutual assistance made within the League Covenant and openly accepted by other States interested in their subject were *ipso facto* unobjectionable.

Finally, he said that his Government had left him a free hand; he had not been tied down to any particular methods or formulæ. He was bound, nevertheless, to seek his main objective, viz., an outside guarantee, if possible, for added insecurity for Turkey that Bulgarian rearmament would involve.

(Repeated to Secretary of State at Stresa.)

[E 2511/515/44] No. 45.

Sir P. Loraine to Sir John Simon.—(Received April 18.)

(No. 163.) *Angora, April* 6, 1935.

Sir,

I HAVE the honour, with reference to my despatch No. 201 of the 26th April, 1934, to transmit to you the accompanying fourteen copies of the report of the Straits Commission for the year 1934.(1)

2. It will be observed that the report again contains a reference, on p. 10, to the opinion of the commission that the levying of sanitary dues on vessels passing through the straits in transit is a breach of the stipulations of the Straits Convention. In this connexion I invite a reference to my despatch No. 126 of the 16th March, 1935.

3. The commission expresses the hope (p. 16) that article 17 of the port regulations, laying down special regulations for the navigation of the Bosphorus, will shortly be repealed (see my despatch No. 125 of the 15th March last and previous correspondence on this subject).

4. There have been a number of modifications of the regulations governing the entry of merchant ships into the Gulf of Izmit, but the British delegate on the Straits Commission believes that annex IX on p. 113 of the report contains a correct statement of the present position.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 2525/919/44] No. 46.

United Kingdom Delegate to Foreign Office.—(Received April 18.)

(No. 58.)

THE United Kingdom delegate to the League of Nations presents his compliments, and has the honour to transmit copies of despatch No. 1 to Angora dated the 16th April, respecting the position of Turkey in regard to the Straits and the demilitarised zones.

United Kingdom Delegation,
Geneva, April 17, 1935.

Enclosure in No. 46.

Sir John Simon to Sir P. Loraine.

(No. 1.) *United Kingdom Delegation,*
Geneva, April 16, 1935.

Sir,

AS foreshadowed in your telegram No. 69 of the 11th April, the Turkish Minister for Foreign Affairs spoke to me to-day on the position of Turkey in regard to the Straits and the demilitarised zones.

2. His Excellency began by saying that he felt that it would be necessary for him, in view of the state of public opinion in Turkey, to make some reference during the present discussion in the Council to the position of Turkey under the Treaty of Lausanne. He said that the joint resolution of the Stresa Conference had referred in paragraph 6 to the question of the military status of the countries affected by the treaties of Saint-Germain, Trianon and Neuilly. No mention had been made of Turkey: yet Turkey was inevitably affected by any rearmament of Bulgaria. He assured me strongly that the Turkish Government had no intention of proceeding to a unilateral repudiation of the treaty, a course of action which they deplored. Yet, while there could be no question of repudiation, there was a very strong case for revision, and he did not feel it possible to let the meeting of the Council pass without mentioning the matter, though he had no intention of pressing it at this stage.

3. I thanked his Excellency for giving me this warning, but pointed out that the Council would have before it a specific resolution and that it seemed unfortunate to introduce into the discussion matters which had no relation whatever to that resolution. I observed also that the Treaty of Lausanne was a freely negotiated instrument and that it was not appropriate to cite, as his Excellency was inclined to do, the declaration of December 1932 regarding German equality of rights as an example which could be quoted by Turkey in demanding a revision of the Treaty of Lausanne. Dr. Aras, however, while repeating his assurance that the Turkish Government had no intention of unilateral repudiation, adhered to his view that he could not avoid mentioning the matter at the Council.

4. As regards the Straits, Dr. Aras argued, if I understood him correctly, that article 18 of the Straits Convention was invalidated by the withdrawal of Japan from the League of Nations. His contention appeared to be as follows: France, Great Britain, Italy and Japan are in that article mentioned by name as the parties who will, in particular, meet any attack by the means which the Council of the League of Nations may decide upon: but the withdrawal of Japan from the League would so change the situation that the guarantee of the other Powers would not necessarily remain valid. In these circumstances the Turkish Government felt that they would be far more secure if they could have what he called the "moral guarantee" of His Majesty's Government instead of the existing guarantee under article 18 of the convention.

5. I expressed surprise at the view taken by Dr. Aras of the effect of Japan's withdrawal from the League of Nations, and made it clear to him that His Majesty's Government could not contemplate any further commitments of this character.

I am, &c.
JOHN SIMON.

[E 2757/72/44] No. 47.

Sir P. Loraine to Sir John Simon.—(*Received May* 2.)

(No. 183 E.)

Angora, April 20, 1935.

Sir,

I HAVE the honour, with reference to my despatch No. 177 of the 14th April, 1934, to transmit to you the accompanying analysis,(1) which the commercial secretary to this Embassy has obtained from the Ottoman Bank, of the preliminary budget estimates for 1935–36.

2. It will be observed that the estimates of revenue and expenditure exceed those for the current year by approximately £T. 10,800,000. These estimates are based on two factors. It has been calculated, on a basis of the revenue for the first eight months of the current fiscal year, that the revenue for the whole year will amount to £T. 190 million as compared with £T. 184 million which was the estimated revenue for the year. It is further calculated that modifications to be made in certain items of taxation will give an increased revenue of £T. 4,923,000, and the Ministry of Finance has accordingly budgeted for a total revenue in the year 1935–36 of £T. 194,923,000.

3. As will be seen from the table detailing the allocation of the estimated increase of revenue, £T. 4,765,360 out of the total £T. 10,807,091 is to be devoted to expenditure on the national defence forces.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 2765/2765/44] No. 48.

Sir P. Loraine to Sir John Simon.—(*Received May* 2.)

(No. 204.)

Angora, April 27, 1935.

Sir,

I HAVE the honour to inform you that the International Alliance of Women for Suffrage and Equal Citizenship held its twelfth congress at Constantinople from the 18th to 24th April in the Merasim Kiosk in the grounds of Yildiz Palace. Meetings of the various committees had taken place on the three preceding days.

2. Some 300 delegates, from thirty different countries, took part in the congress. The British delegation, under the presidency of Mrs. Corbett-Ashby, who was also president of the congress, was the most numerous, consisting of 24 delegates, with 7 " alternate " or reserve delegates, from the United Kingdom, 10 delegates from Australia, 3 from India and 1 each from South Africa, New Zealand and Jamaica. The Turkish delegation numbered twelve, with as many reserves, and there was a large delegation from Egypt, under the presidency of Mme. Hoda Charaoui. Two organisations of the League of Nations were represented, Princess Radziwill attending on behalf of the Office of Intellectual Co-operation, and M. Maurette, the only male delegate, on behalf of the International Labour Office, of which he is vice-director.

3. At the opening meeting the delegates were welcomed by the Vali of Constantinople and the president of the Union of Turkish Women, who was also president of the Turkish delegation. The latter, speaking in excellent French, declared that, thanks to the action of Atatürk in rescuing the Turkish women from their former subservience and placing them in their proper place alongside the Turkish men, there was no longer any feminist question in Turkey, " where women and men work equally for the good of the country under the leadership of one great chief." A message of thanks and appreciation was telegraphed to Atatürk in the name of the congress, to which a suitable reply was received.

4. At the various plenary sessions and open committee meetings which followed, the delegates discussed such diverse subjects as the political, economic, moral and legal rights of women, co-operation between women of the East and the West, the present economic situation, slavery and the condition of women under different forms of government. Resolutions were adopted on all these subjects.

5. The delegate from Jamaica, who was coloured, had an outstanding personal success during the meeting on co-operation between East and West, when she gave an eloquent description of the development of Jamaica and the progress of her people from slavery to complete freedom, pointing to the difference between the lot of coloured women in Jamaica and of those in America and Africa. The question of the establishment of equal moral standards for men and women was introduced by Miss Neilans, the British member of the Executive Committee, who in a frank and unhesitating speech urged that traffic in women and all forms of commercial vice should be considered as legal offences and punished as such, and that the regularisation of prostitution and all measures of exception taken against women should be abolished. Princess Radziwill followed with a description of the work carried on by the League of Nations with the object of eradicating prostitution. The other principal speakers during the congress were M. Maurette, who discussed the question of women in face of present economic problems, Maitre Maria Verona, a French delegate, who gave an exposition on the civil status of women, and Mlle. Walin, the Danish member of the Executive Committee, who demanded equality of conditions of work for men and women, with special reference to cases where women were obliged to relinquish their employment on marrying.

6. On the 21st April a public meeting was held in the Municipal Theatre, under the chairmanship of Mme. Latife Bekir, on the rights and responsibilities of the woman citizen, at which Lady Astor spoke, having come specially to Constantinople for the purpose at the invitation of the alliance. The following day there was a public meeting in the hall of the university, which was addressed by a Turkish woman Deputy.

7. A large number of Turkish women attended the sessions of the congress and were obviously much interested in the discussions. I am told, however, that they were discouraged by the authorities from speaking and that they showed great caution in this respect. Numerous police officials were in attendance in the hall, and only questions of principle were allowed to be brought up for discussion, and then only in general terms. An effort was made to prevent the discussion on the regularisation of prostitution, which, however, failed owing to the firmness of Miss Neilans.

8. The belief was current that Atatürk intended to dissolve the Union of Turkish Women on the grounds that Turkish women, having now acquired all possible, or at least all convenient, rights, the task of the union was accomplished. In order to meet this threat, Mme. Latife Bekir was elected by an overwhelming vote to the Executive Committee, a post which she may occupy only as the president of a feminist society. A telegram was addressed to Atatürk acquainting him with the honour which had been paid her, and a reply was received giving her permission to accept. From the foregoing it would appear that the recent feminist invasion of Turkey has not been without some accompaniment of anxiety for the Turkish authorities. Certainly, as far as their personal arrangements were concerned, the ladies seem to have been somewhat exacting, to judge from the exhausted appearance of the representative of the Protocol Department of the Ministry for Foreign Affairs, who was sent from Angora to see to their comfort, and the account of his trials which he gave to a member of my staff.

9. Despite an arduous programme of meetings, time was found for a certain amount of official entertainment. The Vali gave a dinner for the delegates, who were also the guests of the Union of Turkish Women at a reception at Dolma Bagtche Palace and on an excursion up the Bosphorus. The British and Turkish delegates, with the heads of the foreign delegations, came to a tea-party at His Majesty's Embassy to meet leading members of the British community.

10. At the close of the congress, thirty delegates, including Mrs. Corbett-Ashby and Lady Astor, left for Angora, where they were received by Atatürk, to whom Mrs. Corbett-Ashby conveyed the thanks of the alliance for the hospitality offered to them and their admiration of the Turkish women. Owing

to the lack of hotel accommodation caused by the presence in the capital of the delegates of the Balkan *Entente* Economic Conference, the ladies returned to Constantinople the same evening.

I have, &c.
PERCY LORAINE.

P.S.—Since writing the foregoing I have been informed that during her visit to Angora Mrs. Corbett-Ashby definitely gained the impression that Atatürk had decided to dissolve the Union of Turkish Women. This had made a very unfavourable impression on her, and she felt that the alliance had been invited to hold its congress in Turkey under false pretences.

P. L.

[E 2766/919/44] No. 49.

Sir P. Loraine to Sir John Simon.—(*Received May* 2.)

(No. 205.)
Sir, *Angora, April* 27, 1935.

I HAVE the honour to acknowledge the receipt of the despatch No. 1 of the 16th April from Geneva, by which you were so good as to acquaint me with the observations exchanged between the Turkish Minister for Foreign Affairs and you yourself, when his Excellency raised with you the position of Turkey in regard to the Straits and the demilitarised zones.

2. It would be both interesting and useful to know whether, during the recent special meeting of the Council of the League, M. Tevfik Rüştü Aras similarly approached the French and Italian delegates and, if he did, whether the replies that he received were in a sense similar to that which you returned to him.

3. I should especially be glad to know, for my future guidance, whether it is your view that section 6 of the joint resolution passed at Stresa on the 14th April provides the opportunity and the proper channel for the eventual hearing and discussion by the States immediately concerned of the question regarding the Straits and the demilitarised zones, which the Turkish Government have now given evidence of their desire to raise, or whether it is your view that the relationship which the Turkish Minister for Foreign Affairs has sought to establish between the Lausanne Treaty settlement of the Straits question and the military clauses of the Treaty of Neuilly is inadmissible, whether in law, equity or fact. In the latter case, section 6 of the Joint Resolution of Stresa would presumably be irrelevant to the issue raised by M. Aras firstly with you, and secondly at the meeting of the Council of the League.

4. I conjecture that, while countering the arguments put forward by M. Aras in favour of a revision of the Lausanne settlement, your intention was to dissuade his Excellency so far as possible from raising the revision issue, but not to declare that the issue was, in the view of His Majesty's Government, an inadmissible one in any circumstances.

5. I take it that your refusal to contemplate any enlargement of British commitments of the character adumbrated by M. Aras is, although cognate, a separate question, inasmuch as it concerns His Majesty's Government alone, and is final.

6. May I beg you kindly to inform me whether, in the two preceding paragraphs, I have correctly interpreted what was in your mind. The matter is of some importance in the likely event of M. Aras reverting again to the question in conversation with me.

I have, &c.
PERCY LORAINE.

[E 2730/10/44] No. 50.

Sir John Simon to Sir P. Loraine (*Angora*).

(No. 202.)
Sir, *Foreign Office, May* 2, 1935.

AS I informed your Excellency in my telegram No. 43 of the 30th April, Colonel Woods, commercial secretary to His Majesty's Embassy, accompanied by Mr. F. A. Griffiths of the Board of Trade, leaves to-day for Angora for the purpose of resuming commercial discussions with the Turkish Government.

2. Opportunity has been taken of Colonel Woods's brief visit to London to discuss with him the many detailed points arising out of the Turkish counter-proposals, a copy of which was enclosed in your despatch No. 156 of the 4th April. As you will observe from the accompanying copy of a memorandum prepared by the Board of Trade after preliminary consultation with Colonel Woods, these points give rise to considerable difficulty, and in view of the urgent necessity for the conclusion of an agreement, which you have emphasised in your telegram No. 71 of the 22nd April, it seemed that the purpose of His Majesty's Government would be most readily attained if an expert fully conversant with the views of the interested departments were made available to assist you in the concluding stages of the negotiations. I feel confident that Mr. Griffiths, who has had much experience of trade negotiations with foreign countries, will be of great value to you in this connexion.

3. The present state of these Anglo-Turkish negotiations is such that it would hardly have been practicable, even if time had permitted, to frame specific instructions on the various draft articles of the Turkish counter-proposals. Indeed, the essential requirement is that an agreement as satisfactory as possible to His Majesty's Government should be concluded without delay, and your object should therefore be to conclude an arrangement within the general lines which have been indicated to Mr. Griffiths, and which he will be able to explain to you orally.

4. In these circumstances, the necessity of reference to me on points of detail will no doubt be reduced to a minimum. You will appreciate, however, that any text should only be accepted by you *ad referendum* in the first instance and my approval obtained by telegraph before its final acceptance. Full powers authorising you to sign the eventual agreement will reach you separately.

5. As you will be aware from the enclosures in my despatches Nos. 193 and 200 of the 1st May, His Majesty's Government desire that the agreement, when reached, should be drawn up in English and Turkish, and that, if possible, simultaneously with the signature of the agreement, notes should be exchanged with the Turkish Government providing for their withdrawal of the notification of their denunciation of the Anglo-Turkish Commercial Treaty of the 1st March, 1930, which was contained in their note to you of the 13th September, 1934. Enclosed in my despatch No. 193 of the 1st May were copies of the drafts of two notes which His Majesty's Government would regard as suitable for this purpose.

I am, &c.
JOHN SIMON.

Enclosure in No. 50.

DRAFT MEMORANDUM.

Turkish Counter-Proposals of April 1935.

[For text of articles, see No. 43.]

ARTICLE 1.

Comment.

The Turks have confirmed that the provisions of this article apply only to goods manufactured in the United Kingdom. We shall be able to send to Turkey not only the goods mentioned in Lists I and II, but also the goods mentioned in

the Turkish List KL, which are reserved to countries having clearing agreements; and, in addition, we shall be able to import goods on Turkish List V (mainly machinery imported under ministerial permit) on terms of equality with clearing agreement countries, and goods on List S (unrestricted items) will automatically enter free of quota restrictions. As regards List K ("scramble" quota list) the United Kingdom will be eligible for a share in the general quota allocations. This seems to mean that we shall enjoy the régime applicable in general to countries with which Turkey has clearing agreements, and the wording should be made clearer in this respect. We shall not, however, enjoy concessions specially granted to particular countries (*cf.* Lists I and II proposed for our agreement), and there is nothing to prevent the Turks modifying the general régime.

In the circumstances there is little fault to find with List I (unrestricted goods), but for general reasons it would seem desirable to attempt to secure if possible larger quotas for cotton and woollens and perhaps one or two other items and to secure some quota for one or two items which do not appear in either list.

Colonel Woods greatly fears that unless tariff concessions are granted by the United Kingdom, there is practically no hope of securing any better treatment as regards quotas. He also thinks it possible that in the absence of tariff concessions, the Turks may withdraw some of the items in List I, or reduce the proposed quotas.

It has to be remembered, moreover, that the proposed agreement will in any event mean a large contraction in our trade, and that apart from the quota restrictions there will be no bar to the piling up of frozen credits in Turkey if our exports to Turkey outstrip our imports from Turkey. It is therefore undesirable to spend much effort in attempting to expand the proposed quotas.

The position of the goods held up in the customs (chiefly textiles, estimated roughly to be worth £200,000) will need to be considered.

The most satisfactory arrangement would be to place them outside the proposed quotas. If the Turks object to this, it will be necessary to ensure that the quotas are large enough to admit their entry within, say, six months, and also if possible cover those goods the importation of which is now prohibited.

Article 2.

Comment.

This is an impossible proposal as it stands.

(a) *Quota Restrictions.*—We have not yet given any country a definite undertaking that we would not impose quotas on any of their goods.

Turkey proposes to give certain guarantees as regards the quota treatment of certain of our goods, and she has a claim to a reciprocal undertaking of some kind on our part. We might offer the undertakings similar to those we have given to other countries in recent trade agreements.

Our treatment of eggs is likely to be a cause of difficulty; a separate note on this question is attached.

(b) *Exchange Restrictions.*—It is a novel suggestion that we should undertake not to impose any exchange restrictions, particularly as Turkey is imposing exchange restrictions against us. Under the proposed agreement it would in any case be to our detriment to impose such restrictions, because they would result in reducing the amount available for payment for our goods by Turkey. We should take the line that, in the circumstances, an undertaking is quite unnecessary.

Article 3.

Comment.

Presumably the meaning of the condition in this article is "provided the goods are not of a kind the importation of which into Turkey is prohibited."

Suppliers of goods to the Turkish Government and municipalities will have to look to account "A" for payment in so far as the goods are sold on a short-term credit basis, and will need to exercise caution.

Article 4.

The Turkish goods enumerated in List F (free of duty) are:—

	Present duty.
Hazel nuts	10 per cent. *ad valorem.*
Figs and fig cake	10*s.* 6*d.* per cwt.
Tanning materials	10 per cent. *ad valorem.*
Mohair	Free.
Unprepared skins of all kinds ...	Free, except goat skin 10 per cent.(1)
Walnut logs	10 per cent. *ad valorem.*
Box wood	10 per cent. *ad valorem.*
Building timber of all kinds ...	10 per cent. *ad valorem*, if not further prepared than sawn.(2)
Minerals:—	
Chrome, copper, antimony, emery, &c.	Chrome, copper and antimony *ores*—free.

(1) Already consolidated for fox skins and seal skins.
(2) Already consolidated for oak, ash, elm, beech, birch and soft woods.

The Turkish goods enumerated in List R (reduction or conventionalisation of duty) are:—

—	Existing Duties.	Turkish Request.
Walnuts	10 per cent. *ad val.* ...	10 per cent. *ad val.*
Almonds	10 per cent. *ad val.* ...	10 per cent. *ad val.*
Pistachio nuts	10 per cent. *ad val.* ...	10 per cent. *ad val.*
Raisins	10*s.* 6*d.* per cwt. ...	7*s.* per cwt.
Carpets and rugs (kilins) of wool	4*s.* 6*d.* per square yard if hand made. 9*d.* per square yard if other	10 per cent. *ad val.*
Carpets and rugs (kilins) of silk	Various	10 per cent. *ad val.*
Carpets and rugs (kilins) of artificial silk ...	Various	10 per cent. *ad val.*
Eggs (per great hundred)—	*s. d.*	*s. d.*
Weighing up to 14 lb.	1 0	1 0(3)
Weighing from 14–17 lb.	1 6	1 6(3)
Weighing more than 17 lb.	1 9	1 9(3)

(3) Already consolidated.

Comment.

We have already indicated to His Majesty's Ambassador that it would be politically impossible to defend the grant of tariff concessions to Turkey as part of a pure balance of payments agreement which would inevitably result in the reduction of United Kingdom exports to Turkey.

The Ambassador now puts forward the following plea: It is in the interest of the United Kingdom to stimulate so far as possible Turkish exports to the United Kingdom by the grant of tariff concessions, in order to increase the sums available in Turkey to pay for United Kingdom goods. He is told, for example, that it is generally considered in Smyrna that a reduction of the duty on figs to 5*s.* per cwt. would increase exports of figs to the United Kingdom. He understands that Germany, in order to secure payment for considerable orders placed by Turkey, is buying up great quantities of Turkish produce at higher than world prices. If United Kingdom importers are to secure Turkish produce (and it is essential that they should in order to help the export trade of the United Kingdom to Turkey), United Kingdom tariff reductions on Turkish produce would be of help to such importers. A further advantage of United Kingdom tariff reductions would be that they might be used to obtain, in return, concessions from the Turkish Government as regards United Kingdom goods unfavourably affected by the Turkish counter-proposals.

The Ambassador's plea is attractive and, if we had a high tariff with a large margin to play with, something might perhaps be done on the lines of his first suggestion. Our tariff is, however, a low one, and the only items on which reductions of duty are possible are figs and hazel nuts (not in shell). Of our trade with Turkey, 55 per cent. is accounted for by figs (16 per cent.), raisins (23 per cent.) and mohair (16 per cent.). Mohair is already free of duty, and our commitments in other directions prevent us reducing our duty on raisins.

As regards the Ambassador's last point, it is a little difficult to see what further quota concessions we can obtain for United Kingdom goods which will be of material advantage and justify a *quid pro quo* in the form of a tariff reduction. We have to remember that the effect of the balancing arrangement will be to cut down our trade, and we shall be limited to probably some £700,000 to £800,000 a year, whereas in 1933 our trade was worth £1,400,000. Already there are goods held up in the Turkish customs, which are estimated to be worth about £200,000, to be accounted for.

Colonel Woods asks that the question of duty concessions should receive further consideration, as he feels that such concessions will (1) increase exchange available for United Kingdom goods and (2) facilitate the obtaining of further quotas under List II.

Article 5.

Comment.

His Majesty's Ambassador has already been instructed to put to the Turks the suggestion that United Kingdom import figures (less an agreed percentage for freight and insurance) should be used instead of the certificate of origin system. The Turks' reply is that the discrepancies between the Turkish and United Kingdom figures were so considerable (for a number of reasons, *e.g.*, indirect shipments, diversion of cargoes from original destinations) that they did not find it possible to accept United Kingdom statistics as a basis.

We are not in a strong position to press our statistics as they are on a consignment, and not origin, basis, and there seems to be no satisfactory alternative to the certificate of origin scheme. If we had a "clearing," we should need certificates of origin.

The certificate of origin proposal certainly has merits, if we can ensure that the certificates will be produced to our Customs. At present Customs have no power to require the production of certificates of origin. If we are to make sure that we get credit in Account "A" in respect of all Turkish goods coming to the United Kingdom, we shall need powers which will enable us to require the production of certificates of origin in respect of all classes of goods, of kinds imported into this country from Turkey, arriving through any of the channels through which Turkish goods would be likely to reach this country. And this will mean legislation—possibly a clause in the Finance Bill.

In order that we may have a check on the Turkish Central Bank, arrangements will have to be made for taking a note of the values on certificates produced in respect of Turkish goods, before the certificates are sent to the Central Bank.

It would seem desirable also that we should have the right of access to, or a record of, the certificates for our goods stamped by the Turkish Customs and passed to the Turkish Central Bank.

Special arrangements will have to be made in respect of the goods now held up in the Turkish customs, which will not be accompanied by the proper certificate of origin.

Some arrangement will be necessary to secure certificates of origin in respect of Turkish goods reaching the United Kingdom indirectly, *e.g.*, bulk broken in ports of third countries.

Article 6.

Comment.

The basis on which the 70 per cent. : 30 per cent. division is made is as follows: The Turks take £900,000 annually as the value of Turkish exports to the United Kingdom. Their estimate of "invisibles" payable to the United Kingdom is £689,250, and they are prepared to accept the figure of £450,000 as payable to Turkey by the United Kingdom, leaving a balance of £240,000 unfavourable to Turkey, *i.e.*, nearly 27 per cent. of the estimated value of our imports from Turkey.

The Treasury think we should accept the 30 per cent. deduction for invisibles, especially as a number of other countries have accepted it, and the Turks are likely to insist.

The Treasury draw attention to the following points on article 6:—

(*a*) It should be made clear in paragraph 2 that the United Kingdom Government cannot be responsible for collecting the sterling for the Central Bank of Turkey.

(*b*) It might be made a little more clear that Account A will be used to pay for United Kingdom goods and that they must be accompanied by a certificate of origin.

(*c*) It should be made clear that the full amount of the sterling debt due will be paid and that the Turkish debtor will not obtain a discharge until that has been done.

(*d*) We might perhaps suggest to the Turks that they should instruct Turkish exporters to authorise and request the importers in the United Kingdom to pay direct to the Central Bank of Turkey at some London bank, and that a receipt given for such payment will constitute a good discharge.

There is a further question—is it necessary to stipulate what shall be done with the funds accruing to Account B? This is a point for the Treasury. It is understood that Belgium has already experienced difficulties in this connexion.

Some arrangement will be necessary to prevent the goods now held up in the Turkish customs (mainly textiles) from swamping Account A in the early months of the operation of the agreement. We have already suggested the allocation of a percentage of the available sterling at a rate sufficient to cover the stocks in six months.

Article 7.

Comment.

We had been hoping that the Turks would agree to a compensation arrangement under which United Kingdom merchants who exported Turkish goods to countries with which Turkey has no clearing or payment agreements would be able, outside the balancing arrangement, to send United Kingdom goods of a similar value to Turkey. We had the United States and Palestine particularly in mind. The Turks now say that they are not prepared to agree to any such arrangement so far as foreign countries are concerned. All they offer us is article 7.

Article 7, however, is quite impossible for several reasons, which it is unnecessary to set out here.

One suggestion which has been made here is that the Colonial Empire might be brought into the balancing arrangement. Turkey has a favourable balance of trade with the Colonies, excluding Palestine, of some £150,000 per annum, and with Palestine of some £350,000 per annum. There are weighty objections to this proposal and it is felt that little purpose would be served by pursuing it.

Another suggestion is that we might attempt to bring the colonies (including Palestine if possible) within the scope of a compensation arrangement, *i.e.*, United Kingdom merchants would be able to offset United Kingdom goods against Turkish goods sent to the colonies. Doubts have been expressed as to the desirability of pursuing this proposal, partly because its discussion with the Turks will probably cause much delay (and this must be avoided), and partly because it is not clear how far United Kingdom merchants will be able to make use of the arrangement. In any case the Turks will certainly want to introduce safeguards to ensure that their favourable balance with the colonies is not turned into an unfavourable one.

It is for consideration whether it is worth while pursuing this matter any further. Colonel Woods feels doubtful whether there is really any very great advantage to be gained.

Article 8.

Comment.

We are asked to prepare List CB. We have no desire to place any restriction on the United Kingdom goods which may be used for compensation purposes, and a list is unnecessary.

The Turks will no doubt take the point that, in the absence of a list, their quota arrangements may be upset. In that event, rather than attempt to prepare a list, we might accept the quota arrangements envisaged in article 1 as the limiting factor.

The Turkish goods in List CT are :—

	Value of exports from Turkey in 1933.	
	Total. £'000 sterling.	To United Kingdom. £'000 sterling.
Opium	562	72
Fresh fruit	16	0·1
Dried vegetables	7·6	0·4
Tobacco	3,871	35
Wines and spirits	1·6	...
Eggs	874	1·5
Vegetable colouring materials ...	8·9	1·7
Gum tragacanth	16	...
	5,357	111

The total exports from Turkey in 1933 were £17,237,000 sterling, of which £1,563,000 to United Kingdom.

The Turkish list is such that we need not fear much diversion of trade from the trade balancing to the compensation arrangement.

Apparently the Turks will require that the Turkish goods concerned shall be imported into the United Kingdom and not diverted elsewhere.

It is doubtful whether any useful purpose will be served by the inclusion of opium. The importation of prepared opium is prohibited in this country, and the importation of raw opium is subject to import licence issued by the Home Office. A general licence is issued to a few firms engaged in the preparation of medicinal products, and it is understood that it is difficult for new firms to get into the business.

Eggs should be omitted because there is no scope for expansion of the trade under a compensation scheme.

The article must be subject to our general clauses about quota arrangements.

It should be mentioned that Colonel Woods has ascertained that a monthly return from the Turks of compensation transactions might be possible. It is perhaps desirable that certificates of origin in respect of compensation goods should indicate that they are being exported on a compensation basis.

It is the Turkish intention that compensation permits to import should not be negotiable, but they say that the matter is open to further discussion. It is probably the case that even though the permits might not be officially negotiable, our merchants would find a way of getting round any difficulty.

We shall need to ensure that United Kingdom interests engaging in compensation transactions get 100 per cent. and not 70 per cent. of the value of the Turkish produce they handle.

ARTICLE 9.

Comment.

This article will have to be redrafted in a form which will safeguard imperial preference.

ARTICLE 10.

Comment.

Up to the present we have arranged that all our trade agreements can, if necessary, be terminated by the end of 1936. It is for consideration whether, after the first year, the periods of prolongation of the present agreement should be six months instead of one year.

It is also for consideration whether ratification is necessary. If we give no duty reductions, and do not change our practice as regards quotas, presumably we can dispense with ratification.

Perhaps a clause should be added providing for the disposal of any funds that might be in Accounts "A" and "B" in the event of the termination of the agreement.

Other Matters.

1. *Outstanding Commercial Debts.*

Some arrangement will be necessary in regard to provision of exchange for payment of debts arising from the importation of United Kingdom goods into Turkey prior to the coming into force of the new agreement.

2. *Control of Exports to Turkey.*

His Majesty's Ambassador has strongly urged that measures should be taken to check a rush of exports to Turkey from the United Kingdom. It is not in Turkey's interest to check imports (apart from protective measures). She knows that goods are cheap in the United Kingdom, and will probably buy large quantities. The Turks have already refused to adopt a system on the German model, and they are not willing to accept a joint committee in Turkey as a medium of control.

Export control in the United Kingdom is out of the question, and all that seems left is propaganda, *i.e.*, the publication of a statement showing exactly what the agreement means in this respect, and the publication month by month of the amount of the claims for payment by the Central Bank out of Account "A" which are outstanding.

3. *Unpaid Balance on List "A" Goods.*

By arrangement with us, 50 per cent. of the value of certain goods has been withheld in the Central Bank of Turkey, pending settlement under the new agreement.

4. *Extension to United Kingdom of Relief from Restrictions granted to Other Countries.*

His Majesty's Ambassador points out that there is no provision for extending to the United Kingdom any relief from restrictions which Turkey may make to countries having agreements with her.

Comment.

I should be inclined to leave this matter alone. Even in the case of countries which have clearing or similar agreements the treatment they receive in Turkey is not identical. In any case United States trade still remains unrestricted. Any clause that can be drafted to meet the situation must therefore be very complicated, and lead to lengthy discussion.

5. *Continuance of* 1930 *Commercial Treaty.*

The Turks have already expressed their willingness to renew the treaty with the exception of article 16 (which will in effect be replaced by the new commercial agreement). The Foreign Office Legal Department is preparing a draft exchange of notes.

(Draft.)

Anglo-Turkish Discussions.

Eggs.

The import of eggs in shell into the United Kingdom has been the subject of regulation by voluntary agreement since March 1933. For the current quarter His Majesty's Government has declared its desire to secure a reduction in imports of eggs in shell from foreign countries to an aggregate of 10 per cent. less than the imports during the corresponding quarter of 1933. Imports of eggs from Turkey have in the past been negligible, though they have shown a tendency to increase during the last three years. Recent figures of imports of eggs in shell from Turkey are as follows :—

	Great Hundreds.
1930	24
1931	...
1932	720
1933	1,968
1934	66,144

Hitherto the policy of the Government has been to ask those countries which could be regarded as insignificant suppliers to observe a standstill when other countries have been subjected to cuts of varying severity up to a maximum of 12 per cent. During the second quarter of 1934, however, practically the whole of the 1934 increased quantities for the year came in from Turkey, and it was not possible therefore in the second quarter of this year to leave imports from Turkey at a standstill on 1934. At the same time, it was desired to avoid inflicting undue hardship in the case of a voluntary arrangement of this kind, and the Turkish Government have therefore been asked to limit their exports to the United Kingdom in the second quarter of this year to 20,000 great hundreds.

It is probable that the question of imports in the current quarter will be raised at Angora, and if it is thought that some concession is necessary to improve the atmosphere it might be possible to find room for a small increase on the figure proposed, say, 5,000 great hundreds, having regard to the fact that we have at present no power to regulate imports, and no intention of obtaining it during this quarter.

So far as any treaty engagement is concerned the position is dominated by the forthcoming report of the Great Britain Reorganisation Commission for eggs and poultry. It is anticipated that this commission may quite possibly recommend the imposition of an increased duty on the imports of eggs in the interest of the home poultry farmer, or alternatively they may recommend some form of compulsory regulation. The question of future policy in regard to eggs is likely also to be discussed with Dominion Premiers, so that at present nothing definite is known about future policy for eggs though some further protection for the home industry is likely. It appears impossible in all the circumstances to give any guarantees to Turkey on eggs, either as regards duties or as regards quotas.

(1) *Quotas.*—If it is decided, on the report of the Great Britain Reorganisation Commission, to introduce a system of compulsory quotas, it is difficult to see how we shall be able to avoid prohibiting imports from Turkey almost entirely. During 1934 there was a voluntary restriction in operation which was observed by some countries and not by others. For this reason we have committed ourselves to not including 1934 in the basis of any permanent allocation; we could not depart from this principle. Further, we have decided not to give the "insignificant" clause again, and we have so informed two of the Baltic countries who were anxious to obtain it. In any case the "insignificant" clause will probably have to be largely ineffective in the case of eggs, since Norway's imports, when she was given the "insignificant" clause, were in present circumstances too large to remain unregulated (if other countries are to share her rights) in the event of a compulsory regulation of eggs.

In the circumstances it will not be possible to include any specific guarantee about the regulation of eggs in the treaty with Turkey, and as eggs are the only agricultural product likely to become subject to regulation in which they are interested, it would be only misleading to include even the general clauses about most favoured nation in the event of regulation.

(2) *Duties.*—The present duties on eggs are consolidated in a number of agreements up to the end of 1936. If the commission recommends increased duties instead of regulation we should have to embark on a series of negotiations with the countries to whom we have accorded consolidation of duty; and it would be undesirable to add Turkey to these as we should probably have to come to her with the request to waive her rights almost immediately after we have granted them; further, she would probably not be easy to negotiate with.

[E 2847/30/44] No. 51.

Sir G. Grahame to Sir John Simon.—(*Received May* 7.)

(No. 268.)

Sir, *Madrid, May* 3, 1935.

I HAVE the honour to inform you that, during the last few days, reports have appeared in the Spanish press to the effect that Turkey had decided to place orders with Spanish shipbuilders for the construction of ships for her navy at a total cost of 120 million pesetas (approximately £3,400,000).

2. On the 25th April the Minister of State informed press reporters that he had received no official intimation on the subject, but that if the news proved to be true, the Spanish Government would give every facility and assistance to the entity undertaking the work. On the 29th April Sr. Rocha received a commission of delegates of the following firms:—

Union Naval de Levante,
Echevarrieta y Larrinaga,
Corcho e Hijos y Euskalduna,

representing the Spanish naval shipbuilders, who informed him of the negotiations opened with them in the name of the Turkish Government for the construction of a fleet in Spanish shipyards. Sr. Rocha again stated that he had heard nothing officially of the matter. Nevertheless, he promised to see what means were at the disposal of his Ministry to assist the shipbuilders, and assured his visitors that the Spanish Government would give them every facility for the construction of ships for Turkey; not only would this be a matter of pride to the shipbuilding industries, he said, but it would help greatly to remedy unemployment

I have, &c.
GEORGE GRAHAME.

[E 2906/919/44] No. 52.

Sir P. Loraine to Sir John Simon.—(*Received May* 9.)

(No. 10.)

(Telegraphic.) R. *Constantinople, May* 9, 1935.

YOUR despatch No. 1 from Geneva and my despatch No. 205.

I saw Minister for Foreign Affairs before his departure for Bucharest and Geneva. He was much affected by the discouraging reception which his statement about the demilitarised zones had met last month at Geneva. He said that formulation of reservations by United Kingdom, France, and Italy had made matters much more difficult, and maintained that reservation had not been necessary, inasmuch as he was not raising a question but giving notice of a question.

The reservations, according to him, had the judicial effect of closing the door to negotiation, even though you had told him orally that the matter could, nevertheless, be discussed. In these circumstances there was only one course left to him, and that was to claim, for Turkey, the same treatment as regards treaty revision in military respects as was to be given to Germany's other ex-allies in the war. In other words, Turkey would for her part withhold her agreement to any modification of military clauses of Treaty of Neuilly, Treaty of Trianon and Treaty of Saint-Germain, unless her claims likewise were brought into discussion and settlement.

I did what I could to deprecate such a course. I asked him whether he really wished to assimilate Turkey to Germany's other allies; for I could see no true analogy. Turkey had freely negotiated her peace treaty while the other three complain of dictated peace terms. His Excellency said that disarmament was an essential and understood condition of Turkey's acceptance of Treaty of Lausanne, and that it had gone, or was going, by the board.

Fundamentally, Turkey's attitude was as he had described it to me before (see my telegram No. 69); she must either reoccupy the zones giving guarantees for freedom of the Straits or have a compensating outside guarantee, viz., an Anglo-Turkish mutual assistance agreement.

I said that you had already told him that His Majesty's Government could not undertake any such commitment as the latter. He replied that you had not actually said as much, but that your omission to say yes obviously meant no.

I remarked that if he was announcing to me the line he had made up his mind to take, there was not much left for me to say except that in my view it would only make matters more difficult. I would, however, express the personal hope that he would not publicly commit himself to the line thus indicated at least until he had had private speech with you in Geneva. He agreed about this.

[E 2918/919/44] No. 53.

Sir P. Loraine to Sir John Simon.—(*Received May* 9.)

(No. 11.)
(Telegraphic.) *Constantinople, May* 9, 1935.

CONTINUATION of my immediately preceding telegram.

I hope you will be able to spare him some time, the more so because he thinks that in April his purpose was misunderstood, and that but for that misunderstanding, the reservations need not have been upheld and conversations could have followed. My impression is that for all immediate purposes a promise that this question will be considered and discussed would suffice.

[E 2971/236/44] No. 54.

Sir P. Loraine to Sir John Simon.—(*Received May* 14.)

(No. 213 E.)
Sir, *Angora, May* 3, 1935.

I HAVE the honour to inform you, with reference to my telegram No. 31 of the 15th February last and to connected correspondence, that an agreement providing for the purchase by the Turkish Government of the Ottoman Railway from Smyrna to Aydin was signed at Angora on the 1st May by M. Ali Çetinkaya, Minister of Public Works, and Mr. Robert Adeane, representing the company. The agreement had been formally approved by the Council of Ministers before signature.

2. The semi-official Anatolia Agency, in a bulletin dated the 2nd May, states that the purchase price agreed on is £1,825,840, and adds that the conclusion of this agreement, whose only guarantee is the credit and prestige of the State, may be considered as one of the happiest of events. The *République* of Constantinople hails the agreement as "one more victory for the Ministry of Public Works," and also stresses the point that the Turkish Government have been able to conclude it without assuming any obligation whatever regarding material guarantees.

3. On his arrival at Constantinople, Mr. Adeane informed a member of my staff that the purchase price as given by the Anatolia Agency was correct. It is redeemable in forty years by annual payments, representing interest, sinking fund and brokerage, of £146,700, payable in sterling. To meet these payments, the Ministry of Finance will issue bonds, known as Turkish Debt Bonds, 1935, bearing interest at 7½ per cent. per annum, which are not guaranteed by any specific State revenue. The Turkish Government have the option of reducing the period of purchase, if they so desire, by increasing the amount of the annuities.

4. To the main agreement is annexed an exchange of letters dealing with the company's accumulated earnings, amounting to £T.1,700,000, for which sterling will only be granted on a compensation basis against the export of figs and raisins, to a maximum value of £T.170,000, olive oil, valonea, all kinds of cereals, liquorice, rugs and carpets and certain other minor articles of export.

5. Mr. Adeane stated that two objectionable features of this arrangement were that—

(*a*) The company are given only until the end of 1935 to complete the liquidation of their blocked earnings.
(*b*) The compensation operations are limited to exports to the United Kingdom.

Before recommending ratification of the agreement by his company, Mr. Adeane intends to demand that the time-limit shall be extended to the end of 1936 at the earliest, and that the company shall be free to export to any country, or, failing that, to countries in the British Empire, British mandated territories, Egypt and the United States of America.

6. The agreement requires ratification by the Grand National Assembly and by the general meeting of shareholders of the railway company. If ratified in time, it will come into force on the 1st June and, failing such ratification, on the 1st July. If it is not ratified by that date, it automatically lapses.

7. It is doubtful whether the agreement can be ratified by the shareholders by the 1st June, as a minimum notice of three weeks has to be given before an extraordinary general meeting can be convened, and an order in court must also be applied for and granted. The company will, however, close its accounts on the 31st May and run the railway as from the 1st June on behalf of the Turkish Government.

8. I am sending a copy of this despatch to the Department of Overseas Trade and to His Majesty's consul-general at Smyrna.

I have, &c.
PERCY LORAINE.

[E 2918/919/44] No. 55.

Sir P. Loraine to Sir John Simon.—(*Received May* 15.)

(No. 11A.)
(Telegraphic.) *Constantinople, May* 15, 1935.

MY telegram No. 10 and my despatch No. 231.

I have discussed question informally with French Ambassador, and find that he has reached independently, and telegraphed to his Government, conclusions very similar indeed to those embodied in my reports, viz.:—

1. Question is one to which Turkish Government attach first-class importance, and which they will link up with any relaxation of military clauses in the peace treaties imposed in minor ex-enemy States.
2. It would be wisest to provide machinery for discussion of Turkish thesis.
3. If Turkish claim is merely turned down or shelved, disposition of the Turks will be to take the law into their own hands sooner or later, though they would much prefer to avoid this.
4. Prompt and full consideration between the United Kingdom, France and Italy is most desirable with a view to common attitude.

My French colleague is further, personally of the opinion that the additional guarantee, which Turkish Government seek in the event of authorised Bulgarian rearmament, could be found without undue difficulty and unobjectionably in a Mediterranean pact, under the benediction of His Majesty's Government, but not involving any British commitment.

Both French Ambassador and I are disposed to interpret communiqué issued in Bucharest on conclusion of Balkan *Entente* meeting as meaning that Turkey has won over three Balkan partners to her thesis as regards the Straits zones.

My French colleague is quite alive to question of analogy between the Straits zone and the Rhineland zone. His views on the subject are virtually identical with those expressed in my private letter to Sir R. Vansittart of 11th May, paragraphs 12 to 15.

[E 3034/158/44] No. 56.

Sir P. Loraine to Sir John Simon.—(*Received May* 16.)

(No. 223.)
Sir, *Angora, May* 10, 1935.

I HAVE the honour to inform you that the fourth General Congress of the Republican Party of the People met on the 9th May in the hall of the Grand National Assembly. The congress, which is held every four years, was attended by the President of the Republic (who is also president of the party), members of the Cabinet and all the Deputies—with the exception of the few Independents—and numerous other members of the party from different parts of the country.

2. The opening took place amid much ceremony. The party—the sole party in the State—is synonymous with the Government, and all the resources of the State are at its command. Angora was beflagged, and the symbol of the party—six outspread arrows indicating that the party is republican, nationalist, popular, *étatiste*, laic and revolutionary—was displayed everywhere. The members of the Diplomatic Body were present in the Grand National Assembly when Ismet

Inönü declared the congress open, and the President of the Republic, who had taken his seat in the body of the hall amongst the members, rose to make his speech.

3. In his speech he recalled previous meetings of the congress: the first at Sivas under the menace of the home authorities and of outside Powers; that of 1927 when the republic had emerged victorious from the struggle with the revolt in the Eastern province, and that of 1931 marking the definite establishment of interior peace and confidence. The present congress was, he said, taking place in a country in full process of development. M. Atatürk then traced the history of the past four years, laying particular stress on the acquisition of all the private railways in Anatolia by the State and the progress in Turkish railway construction.

4. He then passed to foreign affairs, and I enclose herewith a translation in French of that part of his speech which dealt with them.(1) It will be seen that he made a particularly long and cordial reference to Turkey's friendship with Soviet Russia—a reference not without significance in the present state of affairs in Europe—and also that he marked his appreciation of Soviet support for Turkey's thesis regarding the Straits. His mention of the Straits underlines the constant and increasing importance which Turkey attaches to this question. M. Atatürk then paid tribute to the usefulness of the Balkan Pact in ridding the Balkans of agitation; expressed his joy at the benefits arising out of Turco-Persian friendship; had an amiable word for Afghanistan, and concluded by stressing Turkey's labours for peace at the League of Nations.

5. It was noticeable how the President of the Republic held his auditors during his discourse. They seemed to follow his words with intensity and devotion. His reference to Soviet Russia met with a prolonged and enthusiastic response.

6. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 3037/3037/44] No. 57.

Sir P. Loraine to Sir John Simon.—(Received May 16.)

(No. 230.)

Sir, *Angora, May 11, 1935.*

SINCE the "Brusa incident," described in Sir G. Clerk's despatch No. 61 of the 17th February, 1933, until a few days ago, there had been a complete lack of religious manifestations in this country of a nature to provoke the ever-vigilant laicism of the Turkish Government, and the recent prohibition of the wearing of ecclesiastical dress outside places of worship called forth no audible protest in any quarter. It therefore came as a surprise when the Constantinople *Tan* (a "new Turkish" word meaning *Temps*) stated on the 5th May that a reactionary movement had been discovered at Milas, a town in the Vilayet of Mugla, south of Smyrna. A Kurdish sheikh, who had been condemned by the Independence Tribunal after the Kurdish rising of 1925, had, it was alleged, created a reactionary organisation with branches in Milas, Aydin, Egridir, Bolvadin and other localities in South-Western Anatolia. Fifteen persons were said to have been arrested and sent to Isparta for trial.

2. The *République* of the 6th May added certain details, giving the names of two persons involved, and stating that compromising documents and tracts had been discovered. One reactionary was alleged to have maintained, in correspondence with a friend or adept, that the world was balanced on the horns of a cow. In the same issue appeared a telegram from Maraş, in South-Eastern Turkey, announcing the arrest of certain "fanatics" in the very act of indulging in forbidden religious practices. These persons are stated to belong to the Alevi sect, and the usual accusations of promiscuous immorality are duly forthcoming. Moreover, a search made at their place of meeting resulted, it is claimed, in the discovery of musical instruments, a decapitated black hen, and other objects of superstition.

3. The *République* of the 8th May published a message from Angora stating that the Minister of the Interior had left the capital on the previous evening for Isparta, in order to enquire into incidents said to have taken place in that town. The incidents in question, according to this message, were not reactionary, but merely isolated cases of obscurantism on the part of certain sheikhs. Similar incidents appear to have occurred at Brusa, where eighteen persons are stated to have been arrested on the 7th May, and others in the same neighbourhood.

4. Whatever may be the truth underlying these various reports, the semi-official *Ulus* and "Anatolia Agency" have hitherto maintained a discreet silence on the whole subject.

I have, &c.
PERCY LORAINE.

[E 2918/919/44] No. 58.

Sir John Simon to Sir P. Loraine (Angora).

(No. 228.)

Sir, *Foreign Office, May 18, 1935.*

I HAVE received your Excellency's despatch No. 205 of the 27th April in regard to the Straits demilitarised zones.

2. I am not aware whether, during the recent extraordinary session of the Council of the League of Nations, the Turkish Minister for Foreign Affairs broached the question of these zones with the French or Italian delegates.

3. In my opinion there is no analogy between the military clauses of the Treaty of Neuilly and the provisions of the Lausanne Peace Settlement for the establishment of demilitarised zones in the Straits and in Thrace. As you are aware, the Treaty of Neuilly was a dictated treaty, whereas the Lausanne Settlement was freely negotiated. From the legal point of view both instruments are equally binding, but there may, from the point of view of the reasonableness of a request for revision, be a great difference between the two cases. Moreover, it is material to bear in mind that, in return for the demilitarisation of the Straits, Turkey secured the guarantee contained in article 18 of the Straits Convention, and that, if the demilitarised zones were to be abolished, it would be natural that that guarantee should disappear at the same time. In any case, paragraph 6 of the Stresa resolution is in no way relevant to the question of the Straits, since that paragraph dealt with three specific treaties, of which the Treaty of Lausanne was not one.

4. You are correct in your conjecture that, while countering the arguments put forward by M. Aras in his conversation with me on the 16th April in favour of a revision of the Lausanne Settlement, my intention was to dissuade him so far as possible from raising the revision issue. It was not my intention to declare that the issue was, in the view of His Majesty's Government in the United Kingdom, an inadmissible one in any circumstances. On the other hand, it was my wish that the Turkish Minister for Foreign Affairs should in no way construe my language as indicating that His Majesty's Government would be prepared favourably to consider any application for the revision of the present Straits régime. Should the Turkish Government at any time raise the Straits question through the proper channels and in the proper way, His Majesty's Government would be obliged, in consultation with the other Governments concerned, to give careful consideration to anything that they might have to say, and their final attitude towards any Turkish proposals would only be determined after all aspects of the matter had been examined by the interested departments. At the present time, however, there is no reason to believe that the attitude of His Majesty's Government would be other than an unyielding one, and in these circumstances you should, in the event of M. Aras discussing the question with you again, generally adopt an attitude of discouragement.

5. Your assumption of the finality of my reply to M. Aras's suggestion that His Majesty's Government should give to the Turkish Government what he called a "moral guarantee" in place or in amplification of the existing guarantee under article 18 of the Straits Convention is correct.

6. As regards the reservation which the Turkish Minister for Foreign Affairs formulated at the meeting of the Council on the 17th April, and to which reference is made in your telegram No. 10 of the 9th May, there seems to be no ground for the Turkish Government's assumption that their consent would necessarily be required to any modification of the Treaties of Neuilly, Trianon and Saint-Germain. Such consent would seem only to be called for if the modification of these treaties were effected by way of article 19 of the Covenant of the League. But what M. Aras presumably had in mind was that, if the military clauses of these treaties were modified, Turkey would be obliged to ask for the modification of the Straits Convention. If her representatives were merely to declare her intention of asking that the Straits question should be considered at the proper time, His Majesty's Government could hardly refuse to allow it to be so considered.

7. I note from your telegram No. 11 of the 9th May that the Turkish Minister for Foreign Affairs is likely to revert to this question during the forthcoming meeting of the Council. Unless in doing so he should produce some fresh and convincing arguments, the Lord Privy Seal will speak to him generally on the lines of the preceding paragraph, and indicate that if it is the real desire of the Turkish Government that the Straits question should be seriously reconsidered, it would be in Turkey's own interest for him not to seek to link its discussion with entirely unrelated matters, but to raise it as a separate issue through the proper channels, *e.g.*, under article 19 of the Covenant or by simultaneous approach to the signatories of the Lausanne Settlement. At the same time, Mr. Eden would make it clear that, although in the event of the Turkish Government taking such steps His Majesty's Government would naturally give full consideration to any proposals which the Turkish Government might make, he could give his Excellency no reason to hope that in so far as these proposals might have for their object the modification of the present Straits régime, they would be favourably received by His Majesty's Government.

I am, &c.
JOHN SIMON.

E 3360/2765/44 No. 59.

Sir P. Loraine to Sir John Simon.—(Received May 30.)

(No. 237.)
Sir, *Angora, May 17, 1935.*

I HAVE the honour, with reference to the postscript to my despatch No. 204 of the 27th April, to inform you that, according to the press, the Union of Turkish Women held on the 10th May an extraordinary meeting at which it was decided to bring its activities to an end, on the ground that, full rights having been accorded to the women of this country, the further existence of the union was no longer necessary

I have, &c.
PERCY LORAINE.

E 3369/3037/44 No. 60.

Sir P. Loraine to Sir John Simon.—(Received May 30.)

(No. 252.)
Sir, *Angora, May 24, 1935.*

I HAVE the honour to inform you that little more has been heard of the so-called "reactionary movement" which formed the subject of my despatch No. 230 of the 11th May. Such recent press notices as have appeared have tended to minimise the importance of the incidents previously reported, and even to deny their right to be considered a reactionary movement at all. That this attitude is officially inspired may be deduced from certain declarations attributed by the *Tan* to the Minister of the Interior, who, as stated in my despatch under reference, had proceeded to Isparta to enquire into the events in that town. M. Sükrü Kaya is reported as having declared to the Isparta correspondent of the *Tan* that what had happened there was a "fait de police" of minor importance, and that, while the sheikh who had caused all the trouble, Saidi Kurdi, *alias* Bediuzzaman, was an impenitent reactionary with a bad record extending over thirty years, the persons he had succeeded in leading astray were only some thirty credulous and ignorant obscurantists, who were likewise under arrest.

2. The *Tan* of the 20th May announced that Dr. Sevket, oculist to the Government Hospital at Aydin, and a dentist from Söke, south of Smyrna, had been arrested at the former town on a charge of complicity in the "reactionary" movement.

I have, &c.
PERCY LORAINE.

E 3342/919/44 No. 61.

Sir John Simon to Sir P. Loraine.

(No. 253.)
Sir, *Foreign Office, May 30, 1935.*

WITH reference to my despatch No. 228 of the 18th May, I have to inform your Excellency that the Turkish Minister for Foreign Affairs did not, during the recent session of the Council of the League of Nations, raise with the Lord Privy Seal the question of the Straits demilitarised zones.

2. You should not, in your conversations with members of the Turkish Government, take the initiative in raising with them the Straits question, the discussion of which it seems desirable to postpone for as long as may be possible. If, however, the Turkish Government should themselves revert to this question in such a way that discussion cannot be avoided, I request that you will be guided generally by my despatch under reference, in which are summarised the present views of His Majesty's Government in the United Kingdom.

I am, &c.
JOHN SIMON.

E 3583/188/44 No. 62.

Sir P. Loraine to Sir John Simon.—(Received June 11.)

(No. 259.)
Sir, *Angora, June 1, 1935.*

I HAVE the honour to inform you that at the opening on the 24th May of the sixth congress of the Turkish Aviation League, the Prime Minister made a speech in which he called attention to the vulnerability of Turkey from the air and the urgent need of aircraft for the country's defence.

2. After stressing the fact that the organisation of air forces constituted at the present moment the pivot of international politics, General Inönü applauded the services rendered to the country by the Aviation League, which in the last eight years had amassed in subscriptions some £T. 50 million. Referring to the rapid progress made in aviation, he pointed out that an enemy bombing machine would soon be able to reach any part of a country of 760,000 square kilometres, such as Turkey, and return to its base after having flown over that country long enough to drop its bombs. The effects of bombardment from the air were particularly disastrous in countries with dense populations and numerous industrial centres. That was why statesmen of various nations were feverishly engaged in the maintenance of peace, as much to safeguard their own country as out of purely humanitarian motives. From the political point of view, Turkey was among those countries which were attached to international peace in order to assure progress at home and good understanding among the nations. Without harbouring any aggressive designs against any other State, Turkey was firmly resolved to assure her own development. This policy was clearly revealed in the relations which she had entertained for years with her neighbours, as well as with other countries. It had had concrete results. The majority of countries were seen to have misunderstandings with their neighbours. The most convincing

proof of Turkey's loyal policy was her constant effort to establish solid friendships with all her neighbours and create absolute confidence. This fact alone was enough to prove the purely defensive and humanitarian character of her policy, but it would be a grave error to suppose that the goodwill of which she gave proof could dispense her from the necessity of assuring her national defence, or that it should suffice to prevent all danger of war. In order that lofty ideals should find their application, it was indispensable that they should be accompanied by measures assuring the defence of the country. The defensive strength of Turkey might be very precious for international peace, but it was not in her power to prevent an eventual violation of that peace.

3. General Inönü then drew attention to the considerable increases made in the air forces of other countries, and declared that Turkey, who had always maintained her existence by her own means, should dispose of at least 500 aeroplanes, ready at any moment to take action in order to provide for her defence. This would necessitate an annual expenditure of £T. 30 million, for which sum, in the present state of the national finances, it was impossible to make provision in the budget. Turkey, who was in a position to repel any aggression by land or sea, was unfortunately at the mercy of an attack from the air. He considered it his duty, as a statesman responsible for the future of the country, to proclaim this danger. It was true that the danger was not imminent, and that at the present moment Turkey, by her international position, was more secure than ever before. But the question remained, how long would this last; would it be years, or would it be only months? He concluded by appealing to the nation to contribute to the security of its air by means of regular yearly subscriptions, in regard to which the Congress should take the initiative and provide the necessary organisation.

4. Two days later it was announced in the semi-official Anatolian News Agency bulletin that the parliamentary group of the People's party had decided to give all possible support to the Aviation League in its efforts to bring home to the nation the fact of Turkey's exposure to danger from the air. The group would do its utmost to render the country secure against this danger.

5. General Inönü recalled his speech before the Aviation League when speaking the following day at the opening of the first National Press Conference, and declared that, at the present moment, the first duty of the Turkish press was to explain to the public the full significance of the danger from the air. The same day a leading article on the subject was published in the Constantinople *Cumhuriyet*. While paying a tribute to the services rendered by the Aviation League, which in ten years had created branches in fifty-seven towns and 412 kazas, had collected £T. 50 million in subscriptions and enrolled 120,000 members, the author expressed the opinion that a membership of 120,000 represented a small proportion of a total population of 17 million Turks, and declared the necessity of at least one in five of the population becoming a member of the League, making a total membership of 3,500,000. The author then enlarged on the scope of air bombardment and the necessity of aircraft as the only means of preventing air attack. Turkey should have not only the 500 aircraft considered necessary by General Inönü, but more besides, it being remembered that the money spent on the country's air forces constituted a natural insurance, protecting not only the good name and independence of the nation, but also the life and personal property of each one of its citizens.

I have, &c.
PERCY LORAINE.

E 3585/3585/44

No. 63.

Sir P. Loraine to Sir John Simon.—(Received June 11.)

(No. 261.)

Angora, June 3, 1935.

Sir,

I HAVE the honour to transmit to you the accompanying French translation of Law No. 2739, of the 29th May, 1935,(1) establishing the Turkish national and official holidays, and laying down various regulations for their celebration and observance.

(1) Not printed.

2. It will be seen that the 29th October, the date of the Proclamation of the Republic, remains the national festival, and that the official holidays are the following:—

(1) August 30: Festival of Victory.
(2) April 22: Festival of National Sovereignty.
(3) May 1: Festival of Spring.
(4) Sheker Bayram (three days).(2)
(5) Kurban Bayram (four days).(2)
(6) January 1: New Year's Day.

3. In accordance with article 3, the weekly day of rest is henceforward to be Sunday, the period of repose beginning at 1 o'clock on Saturday. Shops selling primary necessities, such as food and clothing, are allowed to remain open on Saturday afternoon.

4. The law came into force on the 1st June, the Turks observing their last Friday's rest on the 31st May, and their first "week-end" on the two succeeding days.

5. And so, in this go-ahead republic, the old order continues to change, giving place to new. It will be interesting to see what reactions there will be in Moslem opinion elsewhere on the adoption by a lay Moslem State, one must believe for the first time in the history of Islam, of the day of rest used in Christian States.

I have, &c.
PERCY LORAINE.

(2) Movable religious feast, based on the Moslem (lunar) calendar.

E 3554 10 44

No. 64.

Sir P. Loraine to Sir John Simon.—(Received June 11.)

(No. 265.)

Angora, June 4, 1935.

Sir,

I HAVE the honour to transmit to you herewith one of the two signed copies of the agreement relating to trade and payments between His Majesty's Government in the United Kingdom and the Turkish Government, which I signed this day.

2. I may take the opportunity of expressing my appreciation of the arduous and admirable work carried out by those members of my staff, namely, the counsellor and the commercial secretary, on whom has rested the burden of the lengthy negotiations which have preceded the conclusion of this agreement. I desire also to pay a tribute to the services rendered during the last month of the negotiations by Mr. Griffiths, of the Board of Trade, whose profound knowledge of commercial and economic matters, experience of commercial negotiations with other countries and unfailing good humour have been of invaluable assistance in reaching the present settlement. A final word of appreciation is due to the members of the Registry staff of His Majesty's Embassy, whose labours in typing and checking the draft texts of the agreement and the lists attached thereto, as also in cyphering the telegrams which it has been necessary to address to you, have frequently kept them engaged far into the night.

I have, &c.
PERCY LORAINE.

Enclosure in No. 64.

Agreement between His Majesty's Government in the United Kingdom and the Turkish Government respecting Trade and Payments, with Protocol and Protocol of Signature.(1)

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Turkey, desiring to facilitate the commercial relations between the two countries and having regard to the exceptional economic conditions which have made it necessary for Turkey to apply to all other countries the principle of the balance of payments, have agreed as follows :—

ARTICLE 1.

(1) The United Kingdom goods enumerated in the first schedule to this agreement will be permitted to be imported into Turkey without any restriction as to quantity, and the United Kingdom goods enumerated in the second schedule to this agreement will be permitted to be imported into Turkey up to the quantities specified in the schedule for each article.

(2) United Kingdom goods other than those specified in the preceding paragraph will enjoy the benefit of the general quota régime in force in Turkey.

(3) In addition—

(*a*) All United Kingdom goods landed on Turkish territory before the 15th May, 1935, and not cleared through the Turkish customs at that date, and

(*b*) All United Kingdom goods, other than goods prohibited to be imported under the general quota régime in force, landed on Turkish territory between the 15th May, 1935, and the date of the coming into force of this agreement, and not cleared through the Turkish customs at the latter date,

owing to insufficiency or absence of quotas will be permitted to be imported into Turkey, when this agreement comes into force, without any restriction as to quantity and independently of the provisions of paragraphs (1) and (2) of this article.

With regard to (*a*) and (*b*) above, goods of the kinds enumerated in the List "V" annexed to the Turkish Decree No. 2/2004 of the 17th February, 1935, will only be permitted to be imported into Turkey under permits issued by the Turkish Government Departments concerned.

ARTICLE 2.

The Government of the United Kingdom undertake that, in the event of their deciding to regulate the quantity of the imports into the United Kingdom of any agricultural products of Turkey, they will not make allocations between countries of total permitted imports without first giving the Turkish Government an opportunity of discussing the matter with a view to the allocation to Turkey of an equitable share of the permitted foreign imports.

ARTICLE 3.

United Kingdom goods purchased by the Turkish Government or by the departmental and municipal authorities in Turkey will be permitted to be imported into Turkey without any restriction as to quantity, provided that the importation of goods of the kind in question is not prohibited under the general quota régime in force, and provided that any necessary prior permit from the Turkish Government Department concerned is obtained.

ARTICLE 4.

(1) The Turkish goods enumerated in the third schedule to this agreement shall not on importation into the United Kingdom from whatever place arriving be subjected to duties or charges other or higher than those specified in that schedule.

(1) Schedules not printed.

(2) The Turkish Government will consider sympathetically any proposal of the Government of the United Kingdom for replacing in whole or in part by specific duties any of the *ad valorem* duties or by an *ad valorem* duty the specific duty set out in the said schedule.

ARTICLE 5.

(1) All United Kingdom goods exported to Turkey after the coming into force of the present agreement must, in order to be permitted to enter Turkey, be accompanied by a certificate of origin in duplicate, conforming to the specimen annexed to this agreement, issued by a Chamber of Commerce or other competent authority in the United Kingdom and visaed by a Turkish consul.

(2) The certificate of origin will indicate the f.o.b. value of the goods in the United Kingdom.

(3) One copy of the certificate of origin will be stamped by the Turkish Customs and sent to the Central Bank of Turkey, which will make payment to persons in the United Kingdom to whom the payments for the goods are due in accordance with the provisions of articles 6 and 7 of this agreement.

ARTICLE 6.

(1) The undermentioned sums due from persons in Turkey to persons in the United Kingdom shall be deposited in Turkish pounds on the due date in a special account at the Central Bank of Turkey :—

(*a*) The balance remaining to be paid under the exchange of notes of the 1st April, 1935, between His Majesty's Ambassador at Angora and the Minister for Foreign Affairs of the Republic of Turkey, for United Kingdom goods of the kinds enumerated in List "A" annexed to Turkish Decree No. 148 and exported from the United Kingdom before the 15th February, 1935.

(*b*) Sums due in respect of United Kingdom goods imported into Turkey under the provisions of paragraph (3) of article 1 of this agreement.

(*c*) Sums due in respect of United Kingdom goods exported to Turkey after the coming into force of this agreement.

(2) The sums in Turkish pounds thus deposited will remain blocked in favour of persons in the United Kingdom entitled thereto until such time as transfer to such persons is effected through the sub-Account A referred to in article 7. Any difference of exchange between the day of deposit and the day of transfer will, except in the case of payments in respect of the goods referred to in sub-heading (*a*) of paragraph (1) of this article, be credited or debited to the debtor in Turkey, who will thus pay the full sterling amount due.

ARTICLE 7.

(1) All sums due from persons in the United Kingdom to persons in Turkey in respect of Turkish goods imported into the United Kingdom shall be payable in sterling on the due date to a bank in the United Kingdom designated by the Central Bank of Turkey, and shall thereupon be credited to a special non-interest-bearing account (hereinafter referred to as the "Sterling Account") to be opened by the Central Bank of Turkey at the said bank. The Turkish Government will do their best to secure that any such sums which, notwithstanding the provisions of this paragraph, are paid direct to persons in Turkey shall also be credited to the Sterling Account, it being understood that the Turkish Government will not be liable in this connexion for any loss arising out of difference of exchange between the date of payment of any sum and the date it is credited to the Sterling Account.

(2) Of the sums received into the Sterling Account, 70 per cent. will be transferred to a sub-Account A and the remaining 30 per cent. to a sub-Account B.

(3) The sums referred to in article 6 of this agreement shall be transferred in sterling to the persons in the United Kingdom entitled thereto in the chronological order of their deposit, and within the limits of the sums available in sub-Account A.

(4) The sums transferred to sub-Account B shall be at the free disposal of the Central Bank of Turkey.

ARTICLE 8.

(1) The Turkish Government will arrange that the persons in Turkey referred to in paragraph (1) of article 7 of this agreement shall notify their respective debtors in the United Kingdom that the debts for which they are liable will be deemed to have been satisfied by payment in accordance with that paragraph.

(2) The United Kingdom Government will take steps to bring the above procedure to the knowledge of the persons concerned in the United Kingdom and will use their influence to promote the general adoption of the procedure.

ARTICLE 9.

The Central Bank of Turkey will, at the end of each month, supply to the bank in the United Kingdom selected by the Central Bank of Turkey for the purposes of article 7 of this agreement full particulars of the amounts deposited in the Central Bank in accordance with article 6 of this agreement and of the amounts still awaiting transfer to persons in the United Kingdom. The said bank in the United Kingdom will be authorised to communicate these particulars and also the details of sub-Account A to the United Kingdom Government.

ARTICLE 10.

Any sums standing to the credit of sub-Account A or sub-Account B on the termination of this agreement will be utilised as provided in paragraphs (3) and (4) of article 7 of this agreement.

ARTICLE 11.

(1) Subject to the provisions of paragraphs (2) and (3) of this article, the Turkish goods enumerated in the fourth schedule to this agreement and any United Kingdom goods will be permitted to be the subject of private compensation transactions between persons in Turkey and persons in the United Kingdom.

(2) In respect of each transaction under paragraph (1) of this article, the f.o.b. value of the United Kingdom goods imported into Turkey shall not exceed 70 per cent. of the f.o.b. value of the Turkish goods imported into the United Kingdom, the balance of 30 per cent. being payable by the persons in the United Kingdom concerned into the sub-Account B referred to in article 7 of this agreement.

(3) Such private compensation transactions will be subject to any quantitative restrictions on imports which are or may be imposed in conformity with the provisions of articles 1 and 2 of this agreement, and also subject to the laws and regulations in the United Kingdom and Turkey affecting the goods concerned.

ARTICLE 12.

(1) The Treaty of Commerce and Navigation, signed at Angora on the 1st March, 1930,(1) shall be amended by the deletion of article 16, and by the substitution of the following for the first two paragraphs of article 39 thereof :—

"*Article* 39.

"The present treaty shall be ratified and the ratifications shall be exchanged at Angora as soon as possible. It shall come into force immediately on the exchange of ratifications, and shall remain in force until terminated by either high contracting party by a two months' notice given through the diplomatic channel, provided that no such notice shall take effect while the agreement signed at Angora on the 4th day of June, 1935, relating to trade and payments, is still in operation."

(2) Subject to the two amendments mentioned in the preceding paragraph of this article, the said treaty will remain in force until terminated by a fresh notice given in accordance with the amended text of article 39 thereof.

(1) "Treaty Series No. 40 (1930)," Cmd. 3695.

ARTICLE 13.

(1) It is understood that in this agreement the term "foreign imports" means imports from countries not being territories under the sovereignty of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, or under His Majesty's suzerainty, protection or mandate.

(2) For the purposes of the present agreement :—

(*a*) "Persons" means individuals, firms and corporations (including State organisations and institutions).
(*b*) "Turkish goods" means goods produced or manufactured in Turkey.
(*c*) "United Kingdom goods" means goods produced or manufactured in the United Kingdom.

ARTICLE 14.

The present agreement shall be ratified and shall enter into force immediately on the exchange of ratifications. It shall remain in force for nine months after the date of its coming into force and, unless two months before the expiry of the said period of nine months' notice of termination shall have been given by one of the contracting Governments to the other, the agreement shall remain in force until the expiry of two months from the date on which a notice of termination is given.

In witness whereof the undersigned, duly authorised to that effect, have signed the present agreement and have fixed thereto their seals.

Done at Angora the 4th day of June, 1935, in duplicate in English and Turkish, both texts being equally authentic.

PERCY LORAINE.
N. MENEMENCIOGLU.

PROTOCOL.

At the moment of signing the agreement of this day's date between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Turkey relating to trade and payments, the undersigned, being duly authorised to that effect, declare that they have agreed on the provisions set out in this protocol, which shall form an integral part of the above-mentioned agreement.

Ad *Article* 6.

(*a*) As regards United Kingdom goods imported into Turkey up to the date of the coming into force of the agreement (except the goods referred to in sub-heading (*a*) of paragraph (1) of article 6 of the agreement), payments in respect of them falling due before that date will benefit by the régime in force prior to the signature of the agreement.

(*b*) As regards United Kingdom goods exported to Turkey before the coming into force of the agreement (except the goods referred to in paragraph (3) of article 1 of the agreement), payments falling due after the coming into force of the agreement will benefit by the aforesaid régime up to a total amount of £50,000 sterling. The procedure laid down in paragraph (3) of article 7 of the agreement will apply to payments in excess of £50,000 sterling.

Done at Angora in duplicate in English and Turkish, both texts being equally authentic, the 4th day of June, 1935.

PERCY LORAINE.
N. MENEMENCIOGLU.

PROTOCOL OF SIGNATURE.

At the moment of signing the agreement of this day's date relating to trade and payments, the undersigned plenipotentiaries, being duly authorised to this effect, declare that they have agreed as follows:—

The said agreement shall, pending the exchange of ratifications, enter into force provisionally on the 20th day of June, 1935.

The expression "coming into force of the agreement" in articles 1, 5, 6 and 14 thereof and in the protocol thereto shall be deemed to refer to the date of the provisional entry into force of the agreement under this protocol of signature.

Either contracting Government may, prior to the exchange of ratifications, terminate the provisional application of the agreement by giving the other three months' notice through the diplomatic channel.

Done in duplicate this 4th day of June, 1935, in English and Turkish, both texts being equally authentic

PERCY LORAINE.
N. MENEMENCIOGLU.

E 3687/188/44 No. 65.

Mr. Morgan to Sir John Simon.—(*Received June* 13.)

(No. 269.)
Sir, *Angora, June* 6, 1935.

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 259 of the 1st June, to inform you that the Prime Minister's appeal to the nation to contribute more generously to the air defences of the country has, if the press is to be believed, met with a ready response, and instances of popular enthusiasm in the cause are being published daily. The semi-official "Anatolia Agency" states that telegrams which are constantly pouring in announce the formation of provincial committees with the object of encouraging subscriptions.

2. The President of the Republic has made a donation of £T. 10,000 to the Aviation League; a Turkish business man in Constantinople has offered "from £T. 100,000 to £T. 120,000" to be devoted to the purchase of "from one to three aeroplanes," and has received an effusive telegram of thanks from the Prime Minister; while the Cabinet Ministers are stated to have decided to sacrifice one month's salary to the cause, an example which has apparently been followed by the employees of the Forests Administration of the Vilayet of Rize, and will no doubt be followed, after the fashion of Soviet Russia, by wage-earners all over the country.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

E 3976/299/34 No. 66.

Mr. Morgan to Sir Samuel Hoare.—(*Received June* 27.)

(No. 296.)
Sir, *Angora, June* 20, 1935.

I HAVE the honour, with reference to my despatch No. 411 of the 20th December, 1932, to inform you that the *Official Gazette* of the 15th June publishes the text of Law No. 2776 of the 12th June ratifying the Turco-Iranian Treaty of Neutrality and of Political and Economic Co-operation, signed at Angora on the 5th November, 1932.

2. I am sending a copy of this despatch to His Majesty's Minister at Tehran.

I have, &c.
JAMES MORGAN.

E 3977/72/44] No. 67.

Mr. Morgan to Sir Samuel Hoare.—(*Received June* 27.)

(No. 297 E.)
Sir, *Angora, June* 20, 1935.

I HAVE the honour, with reference to Sir P. Loraine's despatches No. 301 of the 21st June, 1934, and No. 183 E of the 20th April, 1935, to inform you that the Turkish budget figures for the year 1935–36 have now been published, and to transmit to you the accompanying schedules of expenditure and revenue, together with an analysis of the estimates which has been prepared by the Ottoman Bank.

2. The final estimates do not differ very greatly from the preliminary estimates transmitted under cover of the Ambassador's despatch No. 183 E of the 20th April. The definitive votes of revenue and expenditure are as follows:—

	1935–36. £ T.	1934–35. £ T.
Revenue	195,013,000	184,081,000
Expenditure	195,011,053	184,075,636

A balanced budget has thus once again been drawn up, despite an estimated increase in expenditure of £ T.11 million.

3. The actual yield of revenue during the first eleven months of 1934–35 amounted to £ T.173,500,000, some £ T.6 million in excess of estimates, and the Turkish Government could count, therefore, on a yield for the full year of £ T.190 million.

4. In drawing up the definitive estimates of revenue for 1935–36, the Budget Commission took as a basis:—

	£ T.
Estimated revenue from existing sources on the actual returns in 1934–35	190,000,000
Increased yield from new or modified taxes	4,000,000
Profit from the Administration of Istanbul Quays ...	250,000
Increased yield arising from the abolition of certain exemptions from "crisis" and other taxes ...	763,000
	195,013,000

5. The foregoing figures refer to ordinary revenue and expenditure; to them should be added the following items not included in the estimates:—

	£ T.
Tax on wheat, the proceeds of which are for the assistance of agriculture and refugees	3,500,000
National Defence, obtained from the yield of special taxes (see Sir P. Loraine's despatch No. 298 of the 20th June, 1934)	5,000,000
Construction of the Afyonkarahissar and Filyos–Eregli Railways, obtained from the same source	4,000,000
From the same source for the erection of various public buildings	1,300,000
For the Sivas–Erzerum Railway, to be raised by internal loan	4,000,000
	17,800,000

6. Provision has been made in the estimates for the annuity due under the Ottoman Public Debt, viz., £ T.6,529,668.

7. The estimates pertaining to the Ministry of National Defence provide for the following expenditure :—

	£ T.
Army	44,130,678
Air	4,862,270
Marine	4,198,374
Military factories	3,206,155
Cartographical section	614,831
Redemption of bonds	7,573,578
	64,585,886

This total represents 33 per cent. of the total budget expenditure, but to it should be added £ T.5 million from extraordinary taxation, and the eventual contribution of the Aviation League.

8. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

o

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(14899)

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RESPECTING

TURKEY

PART XXX

JULY TO DECEMBER 1935

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Further Correspondence respecting Turkey.

Part XXX.

E 4259/188/44 No. 1.

Mr. Morgan to Sir Samuel Hoare.—(*Received July* 11.)

(No. 317 E.)

Angora, June 27, 1935.

Sir,

I HAVE the honour to inform you, with reference to Sir Percy Loraine's despatch No. 265 of the 4th June, regarding the conclusion of the United Kingdom-Turkish Agreement relating to Trade and Payments, that the Turkish Minister for Foreign Affairs told me to-day that the conclusion of this agreement had given him very great pleasure. He was glad that a shadow on Anglo-Turkish friendly relations had been lifted. He went on to say that the Turkish General Staff were equally gratified, as—whatever their policy (a curious interjected phrase)—they greatly appreciated the quality and cheapness of British material, and were now eager to place orders—especially for aircraft. M. T. R. Aras hoped that British firms would take advantage of this desire of the General Staff. Turkey was making a big effort in the matter of aeroplanes, and had the money to purchase them. The aeroplane and the submarine (Turkey hoped to increase the number of her submarines to ten) were essentially defensive weapons, and therefore preferred by Turkey.

2. It is true that Turkey is making great efforts to increase her fleet of aircraft, and an intensive campaign is now being carried on in the press and in public speeches, to make Turks air-minded. In all parts of the country people are enrolling themselves as members of the Air League, and paying their subscriptions, or making large donations.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

E 4260/919/44 No. 2.

Mr. Morgan to Sir Samuel Hoare.—(*Received July* 11.)

(No. 319.)

Angora, June 27, 1935.

Sir,

I HAVE the honour, with reference to your despatch No. 253 of the 30th May regarding the Straits demilitarised zones, to inform you that, during the course of a call which I made to-day on the Minister for Foreign Affairs, he spoke of Turkey's appreciation of her friendly relations with His Majesty's Government. Turkey, he said, did not wish in any direction to act contrariwise to British policy, and the question of the Straits could not mar Anglo-Turkish relations. He had explained his views about the Straits to the Secretary of State at Geneva and did not wish to add anything further. He was content to let the question simmer and to wait upon events, confident that it would ultimately be

settled. It would simmer indefinitely and disappear if His Majesty's Government could agree to enter into some sort of pact of mutual assistance. His Majesty's Government might rest assured Turkey would be sincere and loyal in her observance of the provisions of such a pact. Failing such a pact, the Straits question would continue in existence—in a tranquil fashion. If, however, Turkey were to find that she was to be treated differently from other ex-allies of Germany, then Turkey would not remain impassive in the face of such discrimination. Again, as Atatürk recently declared, Turkey would not remain inactive if she saw that the Straits were to be used for purposes of aggression. She would not allow, for example, foreign fleets to use the Straits for the purpose of attacking Roumania, nor would she let the Russian fleet use the Straits for the purpose of attacking the Suez Canal—a most improbable and purely hypothetical assumption.

2. I did not enter into any discussion with M. Tevfik Rüştü Aras, apart from suggesting that Turkey differed from other ex-allies of Germany in that the Treaty of Lausanne was a victory for Turkey, and hailed as one by Turkey. The other ex-allies of Germany had no similar consolation. M. Aras agreed that it was a victory, but said that British warships were lying off Constantinople and in the Straits when the treaty was signed.

3. Atatürk's declarations to which M. Aras referred were made to a Miss Gladys Baker, an American journalist who interviewed the President of the Republic. Her account of the interview was published in the Turkish press on the 21st June. The following is a translation of the relevant extract:—

> "I asked: 'Why does Turkey wish to fortify the Straits?'
>
> "'The world situation,' he said, 'and certain conditions have changed, since by the Treaty of Lausanne Turkey agreed to leave the Straits open. The Straits cut Turkey in two. Consequently, the fortification of this waterway is most important for Turkey's security and defence. The waterway is also a vital factor in international relations. So important a key-position cannot be left at the mercy of any adventurous aggressor. Turkey must prevent probable disturbers of the peace from passing through the Straits with the object of making war.' Then straightening up his broad shoulders under his impeccable dinner jacket, he said: 'Turkey will never allow this.'"

I have, &c.
JAMES MORGAN

E 4261 188 44 No. 3.

Mr. Morgan to Sir Samuel Hoare.—(Received July 11.)

(No. 323.)
Sir, *Constantinople, July 2, 1935.*

I HAVE the honour to inform you that shortly after the date of my despatch No. 269 of the 6th June it was announced in the press that the owners of the textile factory at Adana had made a donation of £T. 50,000 to the Aviation League for the purchase of aeroplanes for national defence; and, what is more significant, that all Government officials had "expressed the desire" to devote 2 per cent. of their salaries to the same object. This latter source of income will, it is claimed, produce some £T. 1,500,000 yearly. According to the semi-official "Anatolia Agency," the managers of the principal Turkish banks, including the Ottoman Bank, have also decided to make over to the Aviation League 2 per cent. of their salaries and of those of all their personnel.

2. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

E 4264 3037 44 No. 4.

Mr. Morgan to Sir Samuel Hoare.—(Received July 11.)

(No. 326.)
Sir, *Constantinople, July 4, 1935.*

I HAVE the honour, with reference to paragraph 2 of Sir P. Loraine's despatch No. 583 of the 5th December, 1934, to inform you that the press recently published a list of the heads of the various religious communities in Turkey who are allowed to continue to wear clerical dress outside their respective places of worship, in accordance with article 1 of the relevant law. The list is as follows:—

Rifat, president of Religious Affairs, Angora.
Photios, Patriarch of the Orthodox Greeks, Constantinople.
Papa Eftim, head of the Orthodox Turks.
Mesrop Naroyan, Patriarch of the Gregorian Armenians, Constantinople.
Vahan Kocaryan, head of the Catholic Armenians, Mus.
Isak Saki, *locum tenens* of the Grand Rabbinate, Constantinople.
Oton Cilaciyan, head of the Armenian Protestant Community, Constantinople.
Dionysios Varuhas, head of the Catholic Greeks.

2. It will be noticed that the Apostolic Delegate, Mgr. Roncalli, is not included in the list of privileged ecclesiastics, who are all Turkish subjects, and whose communions, whatever their foreign connexions and allegiances, are regarded as Turkish religious bodies. The position of the Apostolic Delegate has never been recognised by the present régime, as he is not only a foreign ecclesiastic himself, but represents a foreign hierarch of whom this lay State has no official cognisance.

3. The new law came into force on the 13th June, but had already been widely complied with. Considerable latitude appears to be allowed in the case of nuns, many of whom have evolved "civil" costumes differing, at first sight, but little from the old familiar garb. How long this tolerance will last remains to be seen, and the nuns would be wiser in their generation, if less children of light, were they to conform more strictly with the new requirements.

4. I am sending a copy of this despatch to His Majesty's Ministers at Athens and the Holy See.

I have, &c.
JAMES MORGAN.

E 4388 236 44 No. 5.

Sir P. Loraine to Sir Samuel Hoare.—(Received July 17.)

(No. 346 E.)
Sir, *Istanbul, July 10, 1935.*

I HAVE the honour, with reference to my despatch No. 213 E. of the 3rd May, to inform you that, according to the press, the Turkish State Railways Administration took over, on the 1st July, the management of the Ottoman Railway from Smyrna to Aydin, as a result of the purchase agreement between the latter and the Turkish Government.

2. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

E 4705 521 44 | No. 6.

Viscount Chilston to Sir Samuel Hoare.—(Received August 2.)

(No. 330.)

Sir, *Moscow, July 29, 1935.*

VISITS to this country by Turkish public men have been frequent in recent months. On the 17th July MM. Ismet Inönü and Tevfik Rüştü Aras, accompanied by the Governor of Kars, paid a visit to Soviet Armenia and were shown the irrigation works which are proceeding on the Soviet bank of the Araxes. They were entertained to lunch at a Soviet frontier post and, according to the *Journal de Moscou*, "this reception became a manifestation of Turco-Soviet friendship."

2. A more formal visit was that paid by M. Celal Bayar, the Turkish Minister of National Economy, who arrived at Odessa on the 12th July accompanied by representatives of the Departments of Mines and Electrification, and of Turkish banking and insurance institutions; the Soviet Trade Representative in Turkey also arrived by the same boat. M. Bayar left the same evening for Moscow, where he visited MM. Kalinin, Rosengolz, Orjonikidze and Krestinski. He paid a two days' visit to Leningrad, and on the 25th July M. Rosengolz gave a farewell dinner in his honour, which was attended by several of the more important People's Commissars. Translations of the speeches exchanged on this occasion, taken from the *Moscow Daily News* of the 27th July, are transmitted herewith.(1)

3. I am sending a copy of this despatch to His Majesty's Ambassador in Turkey.

I have, &c.
CHILSTON.

(1) Not printed.

E 4804 158 44 | No. 7.

Sir P. Loraine to Sir Samuel Hoare.—(Received August 8.)

(No. 379.)

Sir, *Istanbul, July 31, 1935.*

I HAVE the honour, with reference to Sir R. Hoare's despatches No. 458 of the 30th August, 1926, and No. 602, Secret, of the 15th November, 1926, to inform you that Hüseyin Rauf who, together with other members of the Committee of Union and Progress, was convicted in August 1926 of complicity in an alleged plot against the President of the Republic, and sentenced, in his absence abroad, to perpetual detention, has recently returned to Turkey in virtue of article 8 of the Amnesty Law, which was passed in 1933 in connexion with the tenth anniversary of the founding of the republic. The text of the law will be found in Rizzo's *Législation turque*, vol. XI, pp. 656–661.

2. Hüseyin Rauf is at present living here as a private individual, and I have so far heard no report of the likelihood of his taking any part in public affairs. I understand that his movements are closely watched by the police.

I have, &c.
PERCY LORAINE.

E 4806 877/44 | No. 8.

Sir P. Loraine to Sir Samuel Hoare.—(Received August 8.)

(No. 381.)

Sir, *Istanbul, August 2, 1935.*

I HAVE the honour to inform you that there has recently been formed an "Association of Lay Christian Turks," with headquarters in Constantinople. The following is a summary, which appeared in one of the local newspapers

published in French, of the aims and objects of the association as expounded by the president:—

> "Pour faire partie de l'association il faut être sujet turc, de bonnes mœurs et être patriote dans l'âme. L'association, qui est turque, n'a pas d'idée arrêtée sur les minorités; c'est une organisation faisant partie de l'ensemble de la famille turque. Nos membres sont astreints à la culture turque, à sentir, à penser comme un Turc et à parler et à correspondre en turc. Notre association aura des rapports très étroits avec les Halkevi (maisons du peuple) et organisera des conférences. Parmi les soixante-neuf membres actuels, il y a des docteurs et des négociants. Le secrétaire général est M. Triandaphyllos Yildirim, ex-inspecteur judiciaire. Notre association respecte la foi religieuse de ses membres, les lois républicaines laissant le culte libre."

2. I have received the following account of the new association from a well-informed source:—

3. The association is composed largely of Armenians. The president is a ruined Armenian merchant from Keskin, whose premises there were seized as abandoned property. He is very little known among the Armenian community and has had a poor education. The other members are equally obscure. There are a few Greeks among them, including the secretary-general, a former judicial inspector, named Triandaphyllos, and a Deputy named Stamat Zihni, a member of Papa Eftim's tiny "Turkish Orthodox" communion. At the inaugural meeting of the association, which was held at the Constantinople People's House on the 14th July, only thirty-five persons were present.

4. The tendency of the association is to break away from the Armenian and Greek communities, give up the maternal tongue and become fused with the Turks. They intend to begin by closing the community schools, at the same time asking the Government, somewhat inconsistently, to institute in Turkish schools classes of instruction for Armenian and Greek pupils in their mother tongue. They probably also aim at the adoption of Turkish as the language of their liturgies.

5. It is not clear whether the founders of the association are acting on their own initiative or at the instigation of the Government. In any event, they enjoy the protection and goodwill of the People's party. The founders declare that their movement is spontaneous and formed in the hope of putting an end to the economic ostracism which the minorities at present suffer at the hands of the Government. "Since it is impossible for us to live as minorities," they say, "then let us declare once and for all our readiness for fusion." In their rules they express abhorrence for the word "minority."

6. It is not supposed that the movement will spread. The majority of the members of the Greek and Armenian communities consider that they should fight to the end against fusion.

I have, &c.
PERCY LORAINE.

E 5089 158 44 | No. 9.

Sir P. Loraine to Sir Samuel Hoare.—(Received August 22.)

(No. 411.)

Sir, *Istanbul, August 17, 1935.*

I HAVE the honour, with reference to my despatch No. 379 of the 31st July regarding the return to Turkey of Hüseyin Rauf, the former Opposition leader, to inform you that another political refugee has recently returned to this country, at least temporarily, in the person of Mme. Halide Edip, the well-known authoress and former associate of Mustafa Kemal. The reason for her return is stated by the press to be her desire to visit certain members of her family who had remained here, and it is added that she proposes to stay for a month only, after which she will rejoin her husband, Dr. Adnan, in Paris.

2. The press as a whole has not devoted much attention to Mme. Halide Edip's return, but one newspaper, in an extremely discourteous article, compared her to Lady Macbeth, and described her as an ambitious intriguer and the very type of the "femme fatale."

I have, &c.
PERCY LORAINE.

E 5367 158 44

No. 10.

Sir P. Loraine to Sir Samuel Hoare.—(Received September 5.)

(No. 427.)

Sir, *Istanbul, August 29, 1935.*

I HAD the honour to inform Sir John Simon, in paragraph 4 of my despatch No. 157 of the 31st March, 1934, that the Turkish Government had decided to create eventually six inspectorates-general, including the two already existing for the Eastern Provinces and Thrace, with a view to keep the capital in touch with the greatly increased number of vilayets which had been established throughout the country since the foundation of the republic.

2. The creation of a third inspectorate-general was announced in the press of the 26th August. It is to have its seat at Erzurum, with jurisdiction over the vilayets of Erzurum, Trabzon (Trebizond), Çoruh (Rize), Artvin (presumably to be separated from Çoruh, in which it had been merged), Gümüzane, Erzincan, Kars and Bayazit.

3. The choice for the new post has fallen on M. Tahsin Ozer, Deputy for Erzurum, who represented Konya in the last Grand National Assembly and had been Vali of numerous provinces, including Smyrna, before entering the Assembly as Deputy for Artvin in 1925. He became associated with the Opposition, was involved in the Committee of Union and Progress trials in 1926, and joined Fethi Bey's Liberal party in 1930. The fact that he has now been appointed to so important an administrative post indicates that he has not merely been forgiven for his former regrettable tendencies, but that he is regarded as a genuine convert to the faith of the Popular party.

4. I am sending a copy of this despatch to His Majesty's consul at Trebizond.

I have, &c.
PERCY LORAINE.

E 5655 5655 44

No. 11.

Sir P. Loraine to Sir Samuel Hoare.—(Received September 19.)

(No. 440 E.)

Sir, *Istanbul, September 1, 1935.*

I HAVE the honour, with reference to my despatch No. 591 E. of the 18th December, 1934, to transmit to you the half-yearly economic report on Turkey for the period January to June 1935, which has been prepared by the commercial secretary at His Majesty's Embassy.

2. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 11.

Economic Report on Turkey for the period January-June 1935.

IN the first six-monthly economic report on Turkey the economic policy of the country was defined under different headings. It is, therefore, proposed in the following account to review the situation under the same headings for the following six months:—

1. *Restrictions of Imports by Tariff Quotas and Control of Currency.*

The restrictions on trade and on exchange continue to be applied with the utmost rigour.

During the celebration of the "Thrift and Savings Week" the Minister of National Economy once more defined his policy in the following words:—

"Deposits in banks in 1923 were 3 million liras; at the end of 1933 they were 73 million; including current accounts the national savings amount to over 191 million liras.

"Put your money in banks, for the banks will use it for the reconstruction of the nation, and the strengthening of national defence.

"Our policy in foreign trade is to buy from those who buy from us; not to allow the balance of our trade to go against us; to protect our industries and facilitate industrialisation, and to refuse to accept the principle of the most-favoured-nation treatment, outside customs tariffs.

"The results of our policy are that we have a favourable trade balance, and our trade is increasing; in our accounts with 'clearing' countries, made up to the 29th November, 1934, we hold a balance of £T. 24½ million so that these countries have to buy from us goods to that value.

"The Turkish cultivator or producer is obtaining higher prices for his produce.

"With the increase in our exports, we have been able to increase our imports chiefly of articles necessary for the country.

"We are increasing the import of articles allowed to enter the country without restrictions, and have decreased, practically to vanishing point, the import of articles by quotas.

"Turkey has evolved from being a country exporting raw material to being an industrial nation. The first stage of this evolution was private initiative in industry, protected by the State. Now the State itself finances and directs the principal industries of the country, and, in this connexion, launched the five-year industrial plan which will cost 45 million liras of which 25 million will be spent in the country itself."

2. *Canalisation of Trade through Barter Agreements, &c.*

Most countries, under the threat of the imposition of severe import and exchange restrictions, were driven into accepting the Government's economic policy and practically every country trading with Turkey has now been forced into concluding clearing or similar agreements with the Turkish Government.

A number of these agreements give Turkey a favourable balance of trading, is destined to provide the foreign exchanges required for payments other than those of a purely commercial nature.

3. *Commercial Negotiations and Grievances.*

The negotiators of the agreements referred to above have all of them experienced great difficulty in their negotiations and the result of all the negotiations has been favourable to the Turkish Government.

As already stated in the preceding six-monthly report the general result of the agreements has been to leave foreign countries with the feeling that they have been driven into making a bad bargain. Large sums are lying frozen at the Turkish State Bank, and long delays are experienced by foreign exporters in obtaining payment.

Negotiations for the conclusion of an Anglo-Turkish agreement excluding the principle of a balance of trade or payments against the grant by His Majesty's Government of certain concessions to Turkey were actively pursued for a

considerable period, but our negotiators were faced with a stubborn resistance against an agreement on these lines, as the Turkish Government objected that such an arrangement would be contrary to Turkey's economic policy, which would entirely collapse as other countries with favourable balance of trade would demand similar treatment and denounce their clearing or compensation agreements with Turkey at the first opportunity.

Another possible "terrain" for an agreement, based on a balance of trade, was then discussed, but here again there were many obstacles in the way, the principal one being the lack of foreign exchange which would necessarily have to be advanced to meet payments in respect of imports from the United Kingdom during certain months of the year when there are few exports from Turkey. A further objection from the Turkish point of view was the fact that such an agreement would make no provision for sterling required to meet "invisibles."

After some delay, progress was made in the Anglo-Turkish discussions, when both parties agreed to establish an estimate of "invisible" exports and to take into account any difference in favour of the United Kingdom or *vice versa* in an agreement relating to trade and payments.

Negotiations on this basis were pursued, and after a close scrutiny of the position as regards "invisible" exports, an agreement in respect of trade and payments between His Majesty's Government in the United Kingdom and the Government of Turkey was reached on the 4th June, 1935. In this agreement His Majesty's Government took into consideration the exceptional economic conditions which made it necessary for Turkey to apply to all countries the principal of a balance of payments, and, on its side, the Turkish Government took into account the economic policy of His Majesty's Government, which could not admit of a full clearing agreement operating through clearing houses designated by His Majesty's Government and the Turkish Government respectively.

The effect of clearing agreements generally, and particularly of the provisional agreement referred to above, will be dealt with later, but a few words on the necessity of reaching an agreement are called for in order to clear up any doubts as to the advisability of reaching such agreement with Turkey.

(1) Clearing or similar agreements have been concluded with some twenty countries.

(2) The lack of an agreement with the United Kingdom threatened entirely to close all outlets for the trade of the United Kingdom.

(3) The United Kingdom was precluded from participating in Government public works contracts and Turkish Departments, and importers were refused import permits in respect of United Kingdom goods enumerated in List "V" (Ministerial List).

(4) Large stocks of goods were being held up at the customs owing to lack or insufficiency of quotas.

(5) Turkey having denounced the Anglo-Turkish Treaty of Commerce and Navigation of 1930, which includes establishment clauses and other safeguards, it was imperative to reach an understanding before the 13th September, when this treaty would be inoperative, unless renewed by a provisional agreement, compatible with the economic policy of the Turkish Government.

Under the terms of the agreement we have been placed on equality with all countries trading with Turkey under compensation or clearing agreements. The United Kingdom is no longer precluded from participating in Government tenders, and discrimination is no longer exercised against us.

At the first glance the new agreement appears reasonably satisfactory, but it must not be forgotten that, although it is not a full-blooded clearing agreement, in practice, there is no very great difference between the clearing agreements based on the balance of payments signed by Turkey and other countries and our own. for the terms of payment in the agreement provide that :—

All sums due from persons in the United Kingdom to persons in Turkey in respect of Turkish goods imported into the United Kingdom shall be payable in sterling on the due date to a bank in the United Kingdom designated by the Central Bank of Turkey, and shall thereupon be credited to a special non-interest bearing account (referred to as the "Sterling Account") to be opened by the Central Bank of Turkey at the same bank. The Turkish Government will do

their best to secure that any such sum which, notwithstanding the provisions of this paragraph, are paid direct to persons in Turkey, shall also be credited to the sterling account, it being understood that the Turkish Government will not be liable in this connexion for any loss arising out of differences of exchange between the date of payment of any sum and the date it is credited to the sterling account.

Of the sums received into the sterling account, 70 per cent. will be transferred to a sub-account "A." and the remaining 30 per cent. to a sub-account "B."

The sums referred to in article 6 of the Trade and Payments Agreement shall be transferred to the persons in the United Kingdom entitled thereto in the chronological order of their deposit, and within the limits of the sums available in sub-account "A."

The sums transferred to sub-account "B" shall be at the free disposal of the Central Bank of Turkey.

During the period under review the Turco-Swiss Commercial Agreement of the 1st February, 1934, was renewed. This new agreement follows very closely on the lines of the old agreement of February 1934.

Germany and Bulgaria have renewed their agreements with the Turkish Government, and France has also concluded a new agreement based, as in the case of its predecessor, on the clearing system, the present agreement having been denounced.

4. *Relations of the Turkish Government to Banking, Trade, Industry and Agriculture.*

Banking.

As previously reported, every endeavour has been made by the Turkish Government to encourage the development of banking.

During the month of May the Turkish Government decided to establish a new bank, to be known as the "Eti Bankasi." The functions of this bank will be—

(*a*) To develop the coal-mining industry.

(*b*) To take over the working of all mines owned by the State, including the Ergani copper mines, in which the Turkish Government have a 50 per cent. interest, the development of which is at present entrusted to the Sümer Bank.

The foundation of the Eti Bankasi is considered to be necessary, as the Sümer Bank is fully occupied with the execution of the greater part of the five-year industrial plan, and is also interested, in collaboration with other Turkish banks, in various industrial schemes outside the five-year plan.

The new bank will have a capital of £T. 10 million, which will be provided by the State, and will be under the control of the Ministry of Economy.

Trade.

An account of the relations of the Turkish Government to trade was furnished under headings 1, 2 and 3 of the first six-monthly economic report. These sections, together with section 5, outlined the policy of the Turkish Government.

Some effort is being made by the Turkish Government to increase the volume of Turkish exports by every possible means, and the "Türkofis," which corresponds to the Department of Overseas Trade to some extent, was instituted for the purpose.

Industrial Development.

Marked progress has been made by the Turkish Government towards the realisation of its five-year industrial plan. In a speech made by the President of the National Assembly, he stated that—

> "we are no longer dependent on the foreigner for our sugar, and will shortly be independent of foreign factories as regards cotton goods. Our five-year industrial plan will be realised in two years and a half."

In May of the current year a party of forty-five Turks (nine engineers and thirty-six students) were despatched to Russia with the object of following practical courses in Soviet textile factories, preparatory to their employment in the textile factory at Nazilli in the Vilayet of Aydin, which is to be equipped with machinery of Russian manufacture, and a party of Russian experts has

recently arrived at Kayseri, where they will be provisionally employed in the cotton mill.

An interesting account is given in the annual report of the Sümer Bank for the year 1934 of the industrial progress already made, and of the programme of future developments.

The report may be summarised as follows :—

Kayseri cotton mill : Will begin operations on the 1st July, 1935, with 33,000 spindles and 1,080 looms; approximate producing capacity, 30 million metres per annum.

Izmit paper mill : Will be ready to operate in September next.

Eregli cotton mill : Will be ready to operate towards the end of 1935 with 16,200 spindles and 250 looms; approximate producing capacity, 4 million metres and 500,000 kilog. of thread.

Nazilli cotton mill : Will be completed by the 1st January, 1937, with 26,500 spindles and 700 looms.

Hemp industry : An expert has been engaged in Russia and will make investigations in the near future.

Kammgarn (Botany wool) spinning mill : A German specialist has now completed his investigations. A factory will be established in Bursa.

Kutahya porcelain factory : Construction will begin towards the middle of 1935.

Artificial silk factory at Gemlik : Investigations are still being pursued.

Cement factory (outside five-year plan) : Investigations are still being pursued.

Iron and steel industry : Still awaiting instructions from the Ministry of National Economy.

Chemical industry : Question to be studied in 1936-37.

Rose oil : To begin operations in the beginning of May 1935.

Keciborlu sulphur mines : To begin operations in March 1935.

Sponge industry : Will enter into activity in 1935.

There has also been a marked development in the mining industry, especially as regards the output of coal and chrome.

A company was established in 1934 for the exploitation of the sulphur mines at Keciborlu in the Province of Isparta. It is believed that when in active exploitation the annual output will attain approximately 5,000 tons.

Imports of sulphur in 1932 attained 4,200 tons, and therefore the needs of the country will be provided for by local production should the figure of 5,000 tons be reached.

The machinery set up by the Government to prospect for gold and to report upon certain regions considered to be petroliferous has been set in motion, and boring operations will, it is reported, be taken in hand in the region of Mardin.

5. *Shipping Policy.*

A law granting a credit of £T. 10 million was voted by the Grand National Assembly on the 4th May, it being the intention of the Turkish Government to devote the greater part of the credit to the purchase of new ships for its merchant fleet.

6. *Development of Civil Aviation.*

In April last the Turkish Aviation League decided to found schools of civil aviation in Istanbul, Angora and Izmir, and two Russian specialists were engaged as instructors. They brought five gliders with them to Turkey, and on the 3rd May, on the occasion of the inauguration of the "Turkish Bird" Association for the promotion of civil aviation, the Russian instructors gave gliding and parachute demonstrations.

7. *Public Finances, Budget and Government Indebtedness.*

Finance.

The definitive votes of revenue and expenditure for the year 1935-36 are as follows :—

	1935-36. £T.	1934-35. £T.
Revenue ...	195,013,000	184,081,000
Expenditure ...	195,011,053	184,075,636

A balanced budget has thus once again been drawn up, despite an estimated increase in expenditure of £T. 11 million.

The actual yield during the first eleven months of 1934-35 amounted to £T. 173,500,000, some £T. 6 million in excess of estimates, and the Turkish Government could count, therefore, on a yield for the full year of £T. 190 million.

In drawing up the definitive estimates of revenue for 1935-36 the Budget Commission took as a basis—

	£T.
Estimated revenue from existing sources on the actual returns in 1934-35	190,000,000
Increased yield from new or modified taxes	4,000,000
Profit from the administration of Istanbul quays ...	250,000
Increased yield arising from the abolition of certain exemptions from "crisis" and other taxes ...	763,000
	195,013,000

The foregoing figures refer to ordinary revenue and expenditure; to them should be added the following items not included in the estimates :—

£T.	
3,500,000	tax on wheat, the proceeds of which are for the assistance of agriculture and refugees.
5,000,000	for national defence, obtained from the yield of special taxes.
1,300,000	from the same source for the erection of various public buildings.
4,000,000	for the construction of the Afyonkarahisar and Filyos-Eregli Railways, obtained from the same source.
4,000,000	for the Sivas-Erzerum Railway, to be raised by internal loan.
17,800,000	

Provision has been made in the estimates for the annuity due under the Ottoman Public Debt, viz., £T. 6,529,668.

The votes for the following departments may be of interest :—

	1934-35. £T.	1935-36 £T.		Difference. £T.
Public Works ...	12,402,807	12,440,005	+	37,108
Agriculture ...	4,987,611	5,079,251	+	91,640
National Defence ...	53,251,631	57,012,308	+	3,760,677

The budget provisions exceed those of the last three years, and if the items already referred to above, amounting to £T. 17,800,000, are added to the estimates, the excess is fairly considerable.

The following table, showing actual revenue and expenditure over a period of nine years, shows an increase in revenue from the year 1925-26 to the year 1930-31 inclusive; from that date there was a marked drop, especially during 1930-31 :—

	Recettes prévues.	Dépenses prévues.	Recettes réalisées.	Recettes extra-budgétaires.	Dépenses engagées.
	Million £T.	Million £T.	Million £T.	Million £T.	Million £T.
1926 ...	190·1	190·1	170·1	1·2	172·2
1927 ...	191·5	191·1	203·2	...	198·9
1928 ...	207·1	207·1	205·0	17·0	201·1
1929 ...	220·8	222·6	206·1	18·0	213·5
1930 ...	222·7	222·6	196·2	21·2	203·1
1931 ...	186·5	186·5	162·1	3·1	175·1
1932 ...	169·3	169·3	172·5	14·5	170·5
1933 ...	170·5	170·5	171·5 (prov.)	... (prov.)	174·1
1934 ...	181·1	181·1	190·0	...	...
1935 ...	195·0	195·0	...	...	...

8. *Currency, Credit and Exchange Policy.*

The stabilisation of the Turkish lira continues to be maintained as a result of trade and currency restrictions.

The amount of exchange on offer, after compensation with the authorised demand, enabled the Central Bank of the Republic to take over a surplus of currency amounting to 187,434,800 French francs against, in 1933, 228,487,160 French francs.

The volume of business in the exchange market also showed a noticeable reduction at 406,691,190 French francs against, in 1933, 672,668,210 French francs.

This fall, which is seen both in the exchange market and in the Central Bank's purchases, can only be attributed to the effects of the clearing arrangements concluded with the majority of the countries with which Turkey has business relations. As a result of these arrangements important sums in currency are put at the direct disposal of the Central Bank.

9. *Foreign Borrowing or Lending Debts and Defaults.*

An account of the situation under this heading was furnished in the first six-monthly economic report. Since that date there have been no changes in the situation.

10. *Unemployment, Unemployment Insurance and Relief.*

Unemployment in Turkey does not constitute a serious problem with which the Turkish Government has to contend, such unemployment as may exist being most acute in the non-Turkish elements of the population, which have been precluded from exercising certain trades and professions.

The percentage of unemployment of Turkish subjects is not great, and with the realisation of the five-year industrial plan and the development of industry in general, this percentage should show a marked decrease.

The number of people employed in factories was approximately 55,321 in 1932 as against 64,989 in 1933; the number rose considerably in 1934, and this increase should be marked with each successive year.

In 1932, 38,705 men were employed and 13,468 women, and, in 1933, 47,687 men and 14,528 women.

The majority of the labourers are naturally of Turkish nationality, the foreign element representing 0·6 per cent. of the total in 1932 and 0·5 per cent. in 1933. This percentage, which represents technicians and skilled workmen engaged provisionally, has, it is reported, been further reduced in 1934.

According to an official calculation, the salaries paid in 1932 to factory hands, inclusive of skilled labour, were approximately £T. 12,236,952, and £T. 12,902,493 in 1933, an increase of 5·4 per cent. This percentage will steadily increase with the development of industry and as the result of legislation which the Turkish Government propose to enforce with the object of raising the standard of living of the working-classes in general.

This legislation will provide for the safeguarding of the workman's interests, for his welfare generally and for the education of his family. Practically every village now has its school and nearly every township a branch of the People's party, which is responsible for the general supervision of the social and cultural needs of the local population.

11. *Movement of Prices and Cost of Living.*

A step has been taken in the right direction by the Turkish Government, which has reduced the price of sugar produced by the Government sugar monopoly, and it is hoped that the prices of other monopolised commodities will also be reduced. Efforts have also been made to control prices, generally through municipal machinery, but the cost of living is at present exceedingly high for the official and middle classes.

12. *Marketing Schemes and Price Control.*

There have been no new developments to report under this heading.

It is the intention of the Ministry of National Economy to concentrate on the question of the standardisation of Turkish products, and with this end in view foreign experts are to be engaged to advise the authorities regarding the application of a general standardisation scheme.

Up to the present no regulations exist as to the use of national marks, but it is proposed to standardise eggs, oranges, raisins, olives and figs in the near future, and at the same time a national mark will be created and put into use.

Attention must be drawn to the activities of the Ministries of Public Works and Agriculture in respect of draining and agriculture. The following are the most important :—

(i) Reclamation of the plain of Bursa, which will permit of the fertilisation of 1,500 hectares of land;
(ii) The regulation of the flow of water in the Küçük Menders River, providing for the irrigation of 130,000 hectares;
(iii) The regulation of the water supply in the Adana Valley in the neighbourhood of Seyhan, a cotton-growing district; and
(iv) The construction of a barrage at Çubuk in the neighbourhood of Angora for the supply of water to the capital and for irrigation purposes.

13. *The Development of Large Scale Enterprises and the Cartelisation of Industry.*

This subject has been treated under paragraph 4, "Industry."

14. *Industry Mobilisation, and Changes in the extent to which the Country is Dependent on Foreign Supplies for the Supply of Essential Commodities in the event of War.*

The subject under this heading has been receiving the serious attention of the Turkish Government.

In the preceding six-monthly report an account was furnished of the commodities essential in the event of war which was produced in the country, and therefore it only remains to bring the account up to date by supplying the most recent figures under each heading, but before doing so, it may be of interest to report upon the Zingal Company (the Société des Forêts de Zindan et Çangal), who have a foreign concession on the Black Sea coast near Sinop. It was formerly connected with the Belgian Match Monopoly, whose concession was cancelled in 1925, but the company continued its existence as a Turkish limited liability company with Belgian capital. Ayania, the headquarters of the Zingal Company, was recently visited by two British timber merchants, who were enthusiastic about the Zingal Works. They stated that these were finer than any in Europe, that over 2 million sterling must have been spent on them, and that there was enough timber in the forests of the concession to keep the works going for over a hundred years. The beech timber shown to them was better than they had seen anywhere else except in England.

The more recent figures are as follows :—

Coal.—The output of coal attained, in 1934, 2,288,270 tons.

Cement.—Production in 1934 attained 180,000 tons.

Although less abundant than in 1933, the agricultural output in 1934 was generally satisfactory.

The *wheat* and *barley* crop did not attain the 1933 output owing to climatic conditions, but it was amply sufficient for the needs of the country. In fact, there was a balance for exportation.

Actual figures for the year 1934 have not been definitely established.

Other products—

Tobacco	... (tons)	32,000
Raisins	... (tons)	45,000
Figs	... (tons)	32,000
Opium	... (cases)	2,500
	(kilog)	200,000
Nuts	... (tons)	28,000
Cotton	... (bales)	170,000
Sugar beet	... (tons)	428,000
Olive oil	... (tons)	15,000

Minerals—

Chrome	... (tons)	146,108
Boracite	... (tons)	6,512
Emery	... (tons)	8,503

Silver lead.—Compared to 1933 the output showed a slight increase, but actual figures are not available.

15. *Communications.*

Railways.

Construction was actively pursued throughout the year 1934 and during the early part of 1935.

It is estimated that the total length of line constructed or ready for the laying of rails reached approximately 564 kilom., an average number of 17,400 workmen being employed daily.

Roads and Bridges.

Among the most important works completed during 1934 and during the earlier months of the current year was the completion of two-thirds of the Kizildize–Trabzon road. The total length of this road is approximately 630 kilom.

A full account of the progress of road and railway construction figures in the report of the commercial secretary transmitted to the Department of Overseas Trade under cover of his despatch Overseas Trade (B) No. 203/35 of the 15th August, 1935.

16. *Economic Penetration.*

The policy of the Turkish Government aims at the acquisition, at practically their own terms, of enterprises of the concessionary character obtained under the old régime.

In 1934 the Turkish Government bought up the Smyrna–Kassaba Railway and the Constantinople Quay Company, and an agreement was reached on the 1st May providing for the purchase by the Turkish Government of the Ottoman Railway from Smyrna to Aydin.

All these companies have been obtained at bargain prices after extremely difficult and protracted negotiations and, in some cases, under the threat that failure to reach an agreement would expose these foreign companies to serious losses.

Negotiations are now proceeding for the purchase of the Istanbul Telephone Company and the Smyrna Gas Company.

It is not known whether, with the conclusion of the negotiations referred to above, the Turkish Government will continue to acquire other foreign concessions under the same terms, but it would not be surprising if they turned their attention to the Oriental Railways and to the Société d'Héraclée, which is exploiting the Zonguldak coal mines situated on the Black Sea littoral, it being the policy of the Turkish Government to exploit the Black Sea coal mines under State administration.

17. *Statistics.*

Figures are not published showing exports by commodities; the latest complete statistics are those for the year 1933.

The value of imports in 1933 was £T. 74,675,881, as against £T. 85,983,723 in 1932; the value of exports was £T. 96,161,855, as compared to £T.101,301,356 in 1932. It will be seen, therefore, that Turkey's favourable trade balance, which amounted to £T. 15,317,633 in 1932, increased to £T. 21,485,974 in 1933. This increase was not reached by any expansion in Turkey's export trade, which declined in value by over £T. 5 million in 1933, as compared to the preceding year, but by the intensification of measures of restriction on imports, whose value in 1933 was over £T. 11 million less than in 1932.

The principal countries exporting to Turkey were :—

	1933. £T	Percentage of total Imports	1932 £T	Percentage of total Imports
Germany ...	19,048,330	25·4	19,982,621	23·2
United Kingdom ...	10,067,760	13·5	10,640,466	12·4
Italy	8,540,058	11·4	11,074,200	12·9
Belgium ...	4,994,979	6·7	6,175,381	7·2
France	4,902,539	6·6	7,189,840	8·4
U.S.S.R. ...	3,907,488	5·0	5,942,000	6·9
Czechoslovakia ...	3,466,093	4·6	3,734,000	4·3
Japan	3,231,222	4·3	3,969,000	4·4

The principal countries importing from Turkey are :—

	1933 £T	1932 £T
Germany	18,222,949	13,722,374
Italy	12,967,910	16,358,814
U.S.A.	10,066,032	12,092,927
United Kingdom ...	8,593,842	9,974,613
France	6,181,688	7,820,613
Syria	4,580,074	4,004,805
U.S.S.R.	4,449,342	5,437,163

It will be seen from the above table that, although the United Kingdom's export trade to Turkey fell in value by nearly £T. 600,000 in 1933, as compared to 1932, our relative share of the total trade increased from 12·4 per cent. in 1932 to 13·5 per cent. in 1933. The United Kingdom's imports from Turkey declined in value by nearly £T. 1,400,000, and the percentage of Turkey's total exports sent to the United Kingdom fell from 9·9 per cent. in 1932 to 8·9 per cent. in 1933. The visible balance in favour of the United Kingdom in 1933 was £T. 1,147,918.

Certain details as to Turkey's overseas trade in 1934 have been issued by the Central Bank of Turkey and the Sümer Bank, but these are by no means complete. According to the statistics issued by the Central Bank of Turkey, imports and exports during the year 1934 were as follows :—

	1934 £T	1933 £T
Imports into Turkey ...	86,790,000	74,675,881
Exports from Turkey ...	92,149,000	96,161,855

It will be seen from the above figures that the visible trade balance in favour of Turkey was reduced from £T. 22,500,000 in 1933 to less than £T. 6 million in 1934.

The Sümer Bank has published the following statistics of the principal imports and exports during the year 1934:—

Exports from Turkey.

Nature of Goods	Quantity Tons	Value Thousand £T
Live-stock(1)	1,081	5,825
Hides	2,808	1,708
Carpets	304	508
Wool	7,966	3,885
Mohair	6,043	3,780
Cotton	13,279	5,225
Tobacco	19,301	13,369
Opium	47	361
Olive oil	7,744	1,928
Raisins	54,295	6,879
Figs	28,799	2,791
Cereals, grains and their products	391,430	13,913
Eggs	10,439	2,629
Coal	667,000	3,204
Nuts, walnuts	23,243	8,051

Imports into Turkey.

Mineral oils	101,036	3,050
Iron and steel	138,268	12,670
Machinery	18,066	12,917
Sugar and sweetmeats	3,709	425
Hides	6,050	2,765
Paper and derivatives	24,508	2,895
Glassware	11,582	1,908
Chemical goods	20,003	1,983
Cotton material	11,199	13,402
Cotton yarn	4,240	3,598
Woollen material	492	2,077
Woollen yarn	1,189	3,439
Hemp and jute material	5,192	1,183
Hemp and jute yarn	178	107
Silk material	509	833
Silk yarn	72	159

No details are available as regards the distribution of trade by country.

(1) In thousands of heads.

E 5663 4809 44

No. 12

Mr. Morgan to Sir Samuel Hoare.—(Received September 19.)

(No. 457.)

Sir, *Istanbul, September 13, 1935.*

I HAVE the honour, with reference to my despatch No. 455 of the 13th September, to transmit to you the accompanying despatch from the military attaché to His Majesty's Embassy on the subject of the military situation in Western Turkey.

2. I am in general agreement with Major Sampson.

3. I am sending a copy of this despatch to His Majesty's Minister at Sofia.

I have, &c.

JAMES MORGAN.

Enclosure in No. 12.

Major Sampson to Mr. Morgan.

(No. 2.)

Sir, *Istanbul, September 12, 1935.*

I HAVE the honour to bring to your notice the following observations regarding the military situation in Western Turkey. This theatre is now and has been for the last two years (*vide* my despatch No. 1 dated the 14th July, 1934) the focus of Turkish military activity. Units in Asia Minor are credibly reported to have been reduced to at most 60 per cent. of their peace-time effectives. The districts which have benefited from the new policy are those of the IInd Corps Area (headquarters, Balikesir), IIIrd Corps Area (headquarters, Chorlu) and the Istanbul Command, the latter being in fact equivalent to a Xth Corps. It is evident, therefore, that the object of Turkish strategy is the defence of the Straits, either against direct attack or against an advance overland across Eastern Thrace. There was some evidence at one time of military activity along the Mediterranean seaboard on account of nervousness of possible Italian designs, but anxiety on this score has now died down as Italy obviously has her hands full elsewhere.

2. From the 21st to the 25th August manœuvres were held in Thrace in the presents of the Chief of the General Staff and the majority of leading military personalities. Foreign military attachés were not invited and no information as to the character of the manœuvres or the size of the forces engaged has been allowed to appear. Representatives of the Turkish press were invited to witness a review on the last day. These manœuvres have been projected for over a year and it is understood that their object was to demonstrate the extent to which Western Turkey has been secured from land attack. It is evident that considerable forces must have taken part, since units engaged are known to have been brought up to something approaching war strength by reinforcements from neighbouring military districts. These reinforcing units have now returned to their permanent stations. One interesting feature of these exercises was the first appearance of armoured fighting vehicles in the Turkish army. These consisted of a certain number of light tanks and a larger number of armoured cars, all of Russian origin. It is credibly reported that considerable damage was caused to the vehicles by mishandling. It is clear that the modernisation of the Turkish private soldier lags far behind that of the weapons he is being called upon to employ. It will be some time before trained personnel, capable of handling and maintaining mechanised means of warfare, exist in any numbers.

3. An interesting corroboration of the belief that the Straits and Eastern Thrace are now considered capable of protracted defence is that there is evidence that a number of guns have been dismantled at Ismit and sent into the IInd and IIIrd Corps areas.

4. To ensure secrecy of military preparations the town of Kirklareli and its immediate surroundings have been declared a military zone and foreigners may no longer approach it. The heights best suited for the defence of the town itself lie within the limits of the demilitarised zone, but this does not, however, appear to have been infringed according to the limits of the Kirklareli fortress as laid down by the published decree. A new division, the 46th, is being formed in this area; the nuclei of three infantry regiments and one artillery regiment are believed to exist already, but their numbers of designation are not yet known. The importance of this fortress is that it blocks the easiest line of advance from the west along the corridor used by the Bulgarians in 1913. Troops are disposed in depth down this corridor along the road running through Kirklareli–Pinarhissar–Vize–Saray–Cerkaskoy.

5. These manœuvres, the large influx of manpower into Thrace and the beginnings of a mechanised force have provided the Turks with a spearhead capable of undertaking offensive actions against Bulgaria. It is, therefore, not unnatural that the Bulgarians should be expressing considerable uneasiness. They are afraid of the Turks wishing, at the least, to gain more elbow-room forward of Edirne and, at the most, of having designs on Eastern Roumelia, which contains a high proportion of Mussulmans. In my view, however, Turkey has, at the moment, no offensive designs, but simply is determined to secure herself on what is now her only sensitive frontier. It must also be noted that Eastern Thrace is as yet far from containing sufficient reserves for the units stationed there to be mobilised from local resources of men and animals. It

might, indeed, be said that in placing such a large proportion of her forces far from their mobilisation bases Turkey has rather put her head into the lion's mouth were Bulgaria able or willing to close her teeth.

I have, &c.
F. A. SAMPSON, *Major, G.S.*

E 5665 525 44 No. 13.

Mr. Morgan to Sir Samuel Hoare. (*Received September* 19.)

(No. 461 E.)
Sir, *Istanbul, September* 13, 1935.

I HAVE the honour, with reference to my telegram No. 37 of the 2nd September, to transmit to you the accompanying copy of the protocol which was signed on the 30th August and embodies the bases of the convention for the purchase of the Constantinople Telephone Company's installation by the Turkish Government.(1)

2. Mr. Gill, who conducted the negotiations and signed the protocol on behalf of the company, has informed the commercial secretary to His Majesty's Embassy that this document is, in effect, the purchase agreement (though the latter has still to be signed), except that the actual securities for the payment of the purchase price are to be either Government bills or regular twenty-year 7½ per cent. Government bonds. This point will be decided by a commission of financial experts which will be appointed to decide which of the two modes of payment is more advantageous to the company.

3. In accordance with the terms of the protocol, the company transfers and cedes to the Turkish Government as on the 21st July, 1935, all its rights, goods, and advantages arising out of all concessionary conventions, specifications and the supplementary conventions concluded so far with the Government, together with all installations, exchanges, grounds and buildings, workshops, permanent fixtures, all existing tools and testing apparatus, material, furniture, fittings and means of transport; in brief, all movable goods and real estate of the company existing in Turkey, as well as all its rights and advantages.

4. The cash of the company in its safes as well as in banks and its investments on the 21st July, 1935, as well as the sums to be ascertained as credit to the company for its activity prior to the 21st July, 1935, will remain entirely the property of the company. The company will be free to transfer these amounts out of the country in accordance with the existing regulations *ad hoc*.

5. It will be observed that the protocol contains no undertaking to grant free exchange, but the Minister of Public Works several times assured Mr. Gill that he would speak to the Prime Minister and the Minister of National Economy in favour of the company's point of view in this respect, and led Mr. Gill to believe that something might be done to meet his wishes.

6. In return for the discharge of all rights and claims and of all debts of the company arising out of all kinds of taxes and duties, all payments to be made to the company will be deferred until the 21st January, 1940 (article 7). (The Turkish Government had drawn up a list of heavy claims under the heading of taxes and duties; many of these claims were fictitious or inequitable.) The Turkish Government will, for a period of twenty years from the above mentioned date, pay an annuity of £40,000 at the rate of £20,000 every six months, payable in London through the Ottoman Bank to the company or to its order.

7. Article 8 provides that all disputes connected with the convention to be concluded are to be settled by the Courts of Justice of Istanbul, and article 13 that the purchase contract will be submitted for ratification to the general meeting of shareholders and to the Grand National Assembly.

8. Mr. Gill, who has now left Turkey, expressed his appreciation of the assistance afforded to the company by His Majesty's Ambassador in the course of their difficult negotiations.

9. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

(1) Not printed.

E 5908/919/44 No. 14.

United Kingdom Delegate to Sir Samuel Hoare.—(*Received October* 2.)

(No. 129.)
THE United Kingdom delegate to the League of Nations presents his compliments, and has the honour to transmit copy of a speech of the Turkish Minister for Foreign Affairs in the Assembly on the 14th September respecting the Straits demilitarised zones.

Geneva, September 30, 1935.

Enclosure 1 in No. 14.

Mr. Eden to Sir Samuel Hoare.

United Kingdom Delegation to the League of Nations.
(No. 129.) *September* 30, 1935.
Sir,

WITH reference to Sir John Simon's despatch No. 253 of the 30th May last to His Majesty's Ambassador in Turkey, regarding the Straits delimitarised zones, I have the honour to transmit to you herewith the text of a speech concerned with this question which the Turkish Minister for Foreign Affairs delivered in the Assembly on the 14th September.

2. A few moments before making this speech, Dr. Aras showed me the draft of what he proposed to say. In thanking his Excellency for his courtesy I reminded him that I must maintain the reservation made by Sir John Simon, on behalf of His Majesty's Government in the United Kingdom, respecting the military régime of the Straits, when Dr. Aras had raised this question during the third meeting of the 95th Session of the Council on the 17th April last.

I have, &c.
ANTHONY EDEN

Enclosure 2 in No. 14.

Text of Speech by Turkish Minister for Foreign Affairs.

M. le Président,

Au cours de la discussion générale, on a parlé de l'égalité de traitement en ce qui concerne les armements. Je ne puis m'empêcher à cette occasion d'exprimer mon profond regret que l'égalité n'ait pu être atteinte dans le sens de la réduction et de la limitation des armements. Mais, malgré l'arrêt que marquent les travaux de la Conférence du Désarmement, nous n'avons pas encore perdu tout espoir.

A ce sujet, il y a un point que j'ai souligné toutes les fois que l'occasion s'en est présentée soit à la Conférence du Désarmement, soit au Conseil. C'est pour toucher à cette même question devant votre haute Assemblée que j'ai pris la parole.

On sait que le Traité de Lausanne contient certaines clauses militaires qui, pour n'avoir pas la portée des clauses contenues dans certains traités, n'en constituent pas moins des limitations dans les moyens de défense d'une partie de notre territoire national. En Thrace, ces clauses militaires instituent des zones démilitarisées affectant d'une façon égale et réciproque les trois États voisins. Ces zones démilitarisées intéressant les trois pays limitrophes, c'est à ceux-ci également qu'incombe réciproquement la responsabilité de leur maintien. Je n'ai, par conséquent, pas à faire cas ici de ces clauses. Il n'en est pas de même pour les Détroits. Les clauses militaires qui les concernent présentent un caractère discriminatoire. Ici il s'agit des obligations militaires unilatérales portant un grave préjudice à la défense côtière de la Turquie et à la sécurité de passage et de transport entre les deux parties de son territoire, créant ainsi une situation inégale au détriment de la Turquie. De plus, cette inégalité subsiste nonobstant

les profondes modifications survenues dans les circonstances qui ont présidé à l'acceptation des clauses en question et les changements essentiels auxquels les circonstances peuvent encore être sujettes.

A ce sujet, je tiens à mettre clairement en évidence le point suivant :

Dans le cas où des changements surviendraient dans la situation déterminée par les traités existants, la Turquie se verrait dans l'obligation de les faire dépendre de modifications conséquentes dans le régime militaire des Détroits.

E 6465 6465 44 No. 15

Mr. Morgan to Sir Samuel Hoare. — *Received October* 31.)

(No. 533.)

Sir, *Angora, October* 25, 1935.

I HAVE the honour to inform you that the Turkish press of the 14th October announced that the Masonic lodges in Turkey (self-styled "The Turkish Uplift Association") had been abolished in virtue of a decree of the Ministry of the Interior, which declared all their property to be confiscated to the State. It was further stated that the Ministry had sent a circular to the Valis instructing them to prohibit all meetings in the lodges, and that the Grand Master of Turkish Freemasonry, M. Muhiddin Osman, director of the Banque immobilière, had previously convoked a special meeting to announce the Government's decision and declare the association dissolved. The reason given for the measure is that, in accordance with the Popular party programme, no organisation which has its roots outside Turkey can continue to exist in this country.

2. The *Ton* has published statements said to have been made to a member of its staff by various prominent Turkish masons, who all expressed approval of the Government's decision. Thus, a former Under-Secretary of State for Justice is quoted as saying: "We must frankly admit that masonry in Turkey . . . had no connexion with the national current. . . . Turkish masonry did not meddle in politics, but it might have done so some day." Another mason expresses his profound respect for all Government decisions, and does not admit that they may even be discussed. In his opinion, the masons were at fault for not suppressing themselves. A municipal councillor considers masonry in lay Turkey to have been useless and even harmful, a semi-cosmopolitan institution, which had practically no connexion with national questions, and was little else but an employment bureau for place-hunters. Finally, a mason who is a *médecin légiste*, expresses the opinion that masonry has long been out of date. It may, he thinks, have had some meaning under Louis XV or Louis XVI, since it was originally founded as a secret society to combat clericalism. It was now suitable only for exhibition in an historical museum.

3. The *République* of the 16th October asserted that, contrary to what had previously been published on the subject, the Grand Master put an end to masonic activities in this country on his own initiative. This assertion was supported on the 20th October by the Minister of the Interior, who, speaking to journalists, said: "The Turkish masons, seeing that all their ideals were included in the Government programme, themselves dissolved their organisation. In this matter the Government took no initiative, nor has it any interest."

4. I am told that at least three Cabinet Ministers, some eighty Deputies, and a large and increasing number of military officers are members of freemason lodges. The Government, remembering the help given before 1908 by the lodges in Salonica to the "Young Turks" in their activities against Abdul Hamid, may have feared that masonry might be used for political purposes in present-day Turkey, and, while reluctant to close the lodges so as not to excite feeling among freemasons in other countries, yet conveyed their wishes so plainly to the freemason leaders that the latter judged it more expedient to anticipate any hostile Government action.

I have, &c.
JAMES MORGAN.

E 6466 4965 44 No. 16.

Mr. Morgan to Sir Samuel Hoare. (*Received October* 31.)

(No. 535.)

Sir, *Angora, October* 25, 1935.

I HAVE the honour, with reference to my telegram No. 45 of the 18th October from Constantinople, to inform you that the announcement, under official auspices, of the discovery of a plot to assassinate the President of the Republic has naturally given rise to considerable excitement in the Grand National Assembly, the press, and the country at large. It became known at an early stage that the discovery was not particularly recent, but had been made a month or more previously, during which time the matter was being thoroughly investigated. The judicial enquiry is still proceeding and no date for the trial has yet been announced.

2. The most sensational feature of the affair is the implication of Ali Saib Ursavas, Deputy for Urfa, who has been a member of the Grand National Assembly continuously since 1923, and was first a member and later president of the Independence Tribunal sent to the eastern provinces in 1925 to deal with persons implicated in the Kurdish rebellion, from all of which may be judged the extent of the confidence placed in him by the Government and the head of the State.

3. According to the general consensus of what has appeared in the press, a band of some five brigands in the pay of the notorious "Cherkess" (Circassian) Edhem, one of the "150 undesirables" excluded from the benefits of the Declaration of Amnesty embodied in the Treaty of Lausanne, passed from Syria into Turkey at Killis armed with bombs, revolvers and ammunition. Some of them, including a certain Cambarli Yahya, were subsequently arrested by the Turkish authorities, while others made good their escape into Syria. Yahya stated under examination that "Cherkess" Edhem had referred to the Deputy Ali Saib as being a sympathiser, and one Uzeir, who had entertained the conspirators at Maras, declared that they had brought him a letter containing the words: "Take these men to the farm of Ali Saib, it is he who is directing the business."

4. A dramatic scene was enacted in the Grand National Assembly on the 18th October, when a special committee of three, presided over by Yunus Nadi, the well-known journalist and Deputy for Mugla, announced its decision to accede to the request of the Government that Ali Saib's parliamentary immunity be suspended. The latter, in an impassioned speech, declared that he was the victim of an odious calumny. Atatürk had loaded him with benefits for the past seventeen years, and now he was suspected of compassing his benefactor's death. The decision to suspend his immunity had, however, relieved him of a weight which had been oppressing him for a whole month. He expressed his gratitude to the Minister of Justice, who had proposed the measure, and to the committee which had approved it. He would emerge blameless from the ordeal and worthy of the sympathy of his colleagues and of Atatürk. He had, however, a favour to beg of the Prime Minister. The working of Turkish justice in this case inspired him with little confidence. He therefore begged Ismet Inonü to attend personally to the matter. He had always been an object of Ismet's favours, and therefore besought him to conduct the enquiry himself, in the fullest detail. After appealing to his colleagues' knowledge of him as a Turk of the Turks, who had no truck with Circassian traitors, and as a former soldier, Ali Saib made a touching reference to his octogenarian mother and his young son, who had been searched for proof of his guilt, and concluded with the statement that while he was suffering these indignities he had been consoled by the receipt of a telegram from Atatürk himself, saying: "I have great confidence in thee." Atatürk's and his mother's trust in him were the highest of honours. It may be added, here, that the telegram was sent in the early stages of the Government's investigation, and that the opinion of leading Turks now is that Ali Saib is, very probably, guilty.

5. Incidentally, Yunus Nadi's *République* of the following day took Ali Saib severely to task for the mistrust of Turkish justice so clearly expressed in his speech. The anonymous writer, probably Yunus Nadi himself, said he had no fault to find with an appeal to the Prime Minister, but was shocked by the Deputy

for Urfa's views on the inadequacy of the judicial investigation and by his suspicion of Turkish justice, expressed in the Grand National Assembly of all places. If Ali Saib were aware of lacunae in the justice of his country, why had he not previously brought them to the Assembly's notice? While due allowance should be made for his emotion in the circumstances, he should have weighed his words in a manner worthy of a Deputy, who ought to show his confidence in justice most of all when he himself is on his defence.

6. It is more than likely that Ali Saib, in making his appeal, had vivid recollection of that other trial, of more than nine years ago, when a distinguished ex-Cabinet Minister was arraigned, among others, on a similar charge, and with them publicly hanged after a trial which was a travesty of even Turkish justice.

7. The report of the committee of three having been put to the vote and carried unanimously, the Deputy for Urfa was deprived of his parliamentary immunity and placed under arrest the same evening. It has since been stated in the press that he is being kept in solitary confinement. Meanwhile, whole pages of the semi-official *Ulus* have been filled with telegrams addressed to Atatürk by towns, villages and organisations all over the country, expressing attachment in extravagant terms and calling down curses on the would-be murderers. Mass meetings of protest have been held in many places, those at Angora, Constantinople and Smyrna having been attended, according to the press, by 50,000 persons each. It is true that at Angora in any case the crowd was the largest ever seen in the capital, and even the Ministries were emptied of their staffs for the occasion.

8. I am dealing in a separate despatch with certain press articles on the attitude of the authorities of the mandatory Powers in connexion with alleged anti-Turkish activities in Syria and Palestine.

I have, &c.
JAMES MORGAN

E 6468 863 44 No. 17

Mr. Morgan to Sir Samuel Hoare. (*Received October* 31.)

(No. 539.)
Sir, *Angora, October* 26, 1935.

I HAVE the honour to inform you that the second general census of republican Turkey was held on the 20th October. As on the occasion of the first census, held in 1927, which formed the subject of Sir G. Clerk's despatch No. 557 of the 9th November, 1927, everybody had to remain indoors until the firing of a gun announced that the house-to-house visitation of the numerous body of census officials was finished. The operation seems to have been carried out efficiently and with consideration for the susceptibilities of the public. A new feature was the enquiry on the census forms regarding ability to read and/or write the new Turkish (Latin) characters.

2. According to the preliminary figures published, the total population is said to be 16,158,767 of whom 7,974,925 are males and 8,213,842 females. This is an increase of 2,540,497 on the 1927 total, and more than 500,000 below the figure announced by the office of the Turkish Registrar General early in the year (Sir P. Loraine's despatch No. 48 of the 24th January, 1935). The population of the three largest towns, as compared with that of 1927, is given as follows:—

	1927	1935
Istanbul	690,857	740,751
Smyrna	153,924	170,416
Angora	74,553	123,514

Angora, it will be seen, has nearly doubled its population. Twenty-one towns are shown as having a population of over 25,000. Lists giving the population of these towns, and of the vilayets, will be transmitted to you later.

3. The census was held under the general supervision of a Swiss statistical expert, who, however, played a far less conspicuous rôle than that of the Belgian M. Jacquart in 1927.

I have, &c.
JAMES MORGAN

E 6710 1213 44 No. 18

Sir P. Loraine to Sir Samuel Hoare. (*Received November* 14.)

(No. 546.)
Sir, *Angora, October* 30, 1935.

I HAVE the honour to inform you that, in the course of a conversation yesterday evening at the reception given by the People's party on the occasion of the Turkish National Festival, the Minister for Foreign Affairs said he hoped that his support during the recent difficult times at Geneva of the United Kingdom representatives in the maintenance of the Covenant had been appreciated; he felt that at a decisive moment, when there were signs of tergiversation perceptible even on the part of the French representatives, he had taken his stand solidly and unhesitatingly with the Minister for League of Nations Affairs in the Council.

2. M. Aras said that Turkey would never falter in her loyalty to her obligations under the Covenant of the League. When an important issue in that connexion was pending, the representative of the Turkish Government would be unswerving in his attitude, even though when matters of less importance were under discussion he preferred a rôle of more effacement.

3. His Excellency added that M. Kamal Atatürk, the great leader of his nation, was now concentrating his efforts and his counsels to the Turkish Government entirely on three questions. Firstly, the maintenance of peace in a regime of collective security; secondly, the integral maintenance of the Covenant of the League; and thirdly, the strengthening in efficiency and power of the forces of national defence.

4. I expressed to M. Aras the hope that one day, if the first two ends were achieved, not merely for Turkey, but obviously for the rest of the world also, the President of the Republic might feel able to relax his concentration on the third point. M. Aras said he certainly hoped so, too, but that could only come about also in a general and generally accepted scheme of disarmament, or limitation of armament.

I have, &c.
PERCY LORAINE.

E 6600 1213 44 No. 19

Sir P. Loraine to Sir Samuel Hoare. (*Received November* 7.)

(No. 548.)
Sir, *Angora, October* 31, 1935.

I HAVE the honour to inform you that on the 27th October, at the close of a municipal congress held at Angora, the Prime Minister made a speech in which he touched on the international situation and made a striking declaration of faith in the League of Nations. The following is a translation of that part of the speech as reproduced in the Anatolia Agency bulletin:—

"Turkey lives, in peace and in order, a life which might be taken as a model by the nations; but international life is far from calm. Great events preoccupy the nations. In the face of these events we are taking great care not to allow our country to be drawn into the whirlpool. A life of peace and a serious policy of peace are the bases of our diplomacy. I avail myself of this opportunity to repeat it once again in your presence. Our guiding principle is to respect scrupulously the treaties into which Turkey has entered in order to enable her to live in peace. It is not a matter for doubt that all the treaties by which we are bound in connexion with collective security are within the framework of our engagements towards the League of Nations. We are under engagement to follow up our rights under the League and fulfil our duties towards the League. The greatest benefit which we look for from the League is its pursuit of the principle of collective security. If the idea of the mutual guarantee of the nations for the maintenance of peace makes progress in its application and in practice, and

widens its scope so as to be applicable to all events, we are in favour of labouring to assure such an evolution. That is why Turkey will be found in the front line among the States endeavouring to assist the League in its efforts and its engagements in favour of the maintenance of peace."

2. I am sending copy of this despatch to His Majesty's Minister at Sofia with reference to his despatch No. 184 of the 13th September.

I have, &c.
PERCY LORAINE.

E 6712 158 44

No. 20.

Sir P. Loraine to Sir Samuel Hoare.—(Received November 14.)

(No. 554.)

Sir, *Angora, November 1, 1935.*

I HAVE the honour, with reference to my despatch No. 520 of the 2nd November, 1934, regarding the celebration of the eleventh anniversary of the Turkish Republic, to inform you that similar festivities for the twelfth anniversary have just taken place.

2. For three nights all public buildings in Angora were floodlit and bellagged, as were the houses, in the residential suburb, of the President of the Republic, the Prime Minister and members of the Cabinet. Wreathed and garlanded portraits of Kemal Atatürk were displayed everywhere, surrounded by a halo of flaring torches or framed in incandescent light. The contours of the citadel and of the minarets were traced by the brilliance of myriad lamps against the background of the sky, adding an almost *Arabian Nights* touch to the otherwise western picture of modern Angora. Across the streets were hung the same banners bearing slogans of self-congratulation and exhortation which did service in previous years.

3. The first ceremony on the 29th October was the reception held by the President of the Republic in the Grand National Assembly building. The Diplomatic Body were invited for 1 P.M., but as the President had arrived late, they were obliged to wait for fully an hour while members of the Cabinet, Deputies, military and naval officers, Government officials, foreign advisers, and judges in their priest-like robes, filed through the reception room to the strains of the Grand March from *Aida*.

4. The reception over, there followed the usual review, which was held for the first time on the new parade ground belonging to the huge stadium now in course of construction. Although there were no distinguished foreign visitors as in previous years, the parade was in almost all respects the same as on previous occasions. The arrival of the President was heralded by an unusually loud burst of applause from the townsfolk and villagers, who filled to overflowing the grandstand and enclosure facing the presidential dais. During the whole of the march past the President stood alone, silk hat in hand, acknowledging the salutes and acclamations of soldiers, sailors and civilians. The hordes of villagers, mounted and on foot, were much more numerous than previously, and, while severely trying the patience of the shivering Diplomatic Body, inspired a Turkish journalist to write that the sight of "these 5,000 horsemen riding steadily past brought back to us memories of our ancestors who rode from the high plateaux of Central Asia towards the west, spreading over the peoples through whom they passed the light of civilisation." The display on the whole was of a high standard, the troops, boy scouts, girl guides, athletes, but more especially the sailors, being smart and well turned out. Sixty-three aeroplanes flew over in formation during the proceedings, and this year, for the first time, some gliders performed aerial acrobatics, and seven parachutists made successful descents.

5. In the evening the Diplomatic Body were invited, with seemingly thousands of other guests, to a ball given in the Angora Palace Hotel by M. Recep Peker, secretary-general of the People's party. The President of the Republic was expected, but, doubtless fatigued by the day's exacting ceremonies, did not appear.

6. On the 30th October official ceremonies were held in the Angora cemeteries where lie buried the heroes of the Turkish revolution.

7. I enclose a note by my military attaché on the more technical aspects of the review.(1)

I have, &c.
PERCY LORAINE.

(1) Not printed.

E 6713 158 44

No. 21.

Sir P. Loraine to Sir Samuel Hoare.—(Received November 14.)

(No. 555.)

Sir, *Angora, November 1, 1935.*

I HAVE the honour, with reference to my telegrams Nos. 121 and 122 of to-day's date, to transmit to you a French translation of the speech made by the President of the Republic at the opening ceremony of the Fifth Legislature of the Grand National Assembly which took place this afternoon.

2. The statement about international affairs at the beginning of the speech called forth applause, as did also the reference to the importance of exploiting the coal-mines and the recent reduction of taxation. Enthusiastic cheering greeted the remark that "every spot which serves as a habitation for a Turk shall be a model of hygiene, cleanliness, comfort and modern culture." The highest pitch of enthusiasm, however, was reserved for the reception of the closing passage regarding the danger of attack from the air and the formation of an air force, and even the President himself seemed to find difficulty in controlling his emotion as he uttered, amidst frantic cheering, the words: "We have the conviction that we also can cause the same damage in the hearths of those who would assail us as they would wish to inflict on us."

I have, &c.
PERCY LORAINE.

Enclosure in No. 21.

Speech by the President of Republic on November 1, 1935.

(Traduction.)

Honorables Représentants de la grande Nation.

EN procédant à l'ouverture de la Cinquième Législature de la Grande Assemblée nationale, je vous présente mes profonds respects.

La Grande Assemblée nationale commence ses travaux à une période très importante de la situation internationale.

Les événements rappellent à nouveau deux normes importantes à la nation turque: Etre de force à défendre notre patrie et nos droits, donner de l'importance à la collaboration internationale pour le maintien de la paix.

Il est impossible de ne pas ressentir de la douleur du fait que la paix a été troublée. Le principal vœu de l'humanité civilisée doit être, en tout cas, la suppression des graves conflits actuels.

Je n'estime pas nécessaire d'expliquer à quel point nous sommes liés à l'idéal de paix, combien notre désir est essentiellement de voir cet idéal mis en sûreté.

Nous souhaitons sincèrement que la Société des Nations qui travaille dans ce sens puisse développer ses principes en profitant des expériences acquises et qu'elle puisse augmenter sa puissance de sauvegarde de la paix.

Honorables Camarades,

Nous éprouvons le besoin d'étendre notre organisation d'administration intérieure, en commençant par les contrées orientales du pays.

Nous trouvons nécessaire de créer deux nouveaux inspectorats généraux et quelques nouveaux vilayets. Nous avons, entre autres, pris en considération l'application dans la contrée de Dersim d'un programme fondamental de réformes.

Nous espérons obtenir de bons résultats des inspecteurs généraux qui assurent l'inspection permanente de nos vilayets et l'exécution par un seul ressort des affaires qui leur sont communes.

Le principal besoin de nos vilayets orientaux est d'être relié par des voies ferrées à nos régions centrales et occidentales. Nous jugeons nécessaire de terminer rapidement les deux voies ferrées principales qui avancent vers l'est et de commencer dès maintenant la réalisation du réseau de routes qui reliera ces voies l'une à l'autre.

L'organisation de la voie de transit irano-turque doit être achevée avec soin.

En ce qui concerne les ports et l'irrigation il y a des travaux à exécuter d'urgence.

Nous sommes également dans l'obligation d'élargir la lutte sanitaire d'après les nouvelles nécessités.

Nous pouvons nous attendre à ce que le Gouvernement poursuive, suivant un programme définitif, tous ces travaux que je viens d'énumérer. Je dois encore faire connaître un point sur lequel je voudrais m'arrêter spécialement.

L'un des buts primordiaux que nous nous sommes assignés est de voir dans la patrie turque toutes nos villes, petites ou grandes, et jusqu'aux villages, présenter un aspect de prospérité et d'embellissement.

Tout endroit qui sert d'habitation au Turc sera un modèle d'hygiène, de propreté, d'agrément et de culture moderne.

Je désirerais que les municipalités qui, à côté des institutions d'Etat, sont directement intéressées dans ces questions, travaillent en étant animées de cette vue et de cette pensée.

La réunion dans la capitale des présidents des conseils municipaux constitue non un aboutissement mais bien un début dans cette tâche.

Mesdames, Messieurs,

Notre programme industriel poursuit sa route normale. Néanmoins, je voudrais attirer votre attention sur la nécessité de donner un plus grand élan à l'industrialisation du pays, et d'aborder à nouveau, dans un proche avenir, un second programme.

Les questions minières sont dans une nouvelle période d'essor. Il importe de préparer nos ingénieurs des mines, en nombre et en qualité répondant à nos besoins.

Il importe également de rechercher les mesures adéquates à l'exploitation rationnelle du bassin houiller.

D'autre part, Camarades, nous continuerons à porter sur une plus large échelle tous nos soins à la prise des mesures propres à assurer le relèvement du niveau de prospérité de notre paysan.

Députés éclairés,

Nous poursuivons sans discontinuer l'organisation de notre activité culturelle conformément à des principes nouveaux et modernes. Les travaux sur l'histoire et la linguistique turques ont déjà commencé à donner les lumineux résultats attendus avec une grande foi.

On donnera cette année une plus grande impulsion aux travaux de relèvement de notre musique nationale dans la technique moderne.

Il serait très opportun que vous attachiez de l'importance aux questions de radiophonie, qui, tout autant qu'elles sont nécessaires pour la culture nationale, sont d'une haute valeur évidente du point de vue des relations internationales.

Honorables Camarades,

L'opportunité des mesures que vous avez courageusement adoptées l'année dernière en matière financière a été prouvée. Le fait que les prix du sel et du sucre ont été abaissés a causé le contentement du peuple et occasionné l'augmentation de la consommation.

Vous avez également à prendre, cette année, des mesures de cet ordre sur d'autres sujets. L'abaissement du taux de l'impôt sur le bétail et de l'impôt sur la valeur des immeubles sera utile. Le transfert aux administrations locales de l'impôt foncier et des impôts sur la propriété bâtie constituera une réforme importante.

Le fait que le Trésor parvient à faire face à la diminution des impôts est une preuve à l'appui de la haute capacité économique du pays.

Au fur et à mesure que, tout en se basant sur les assises de la technique, l'organisation économique du pays prendra de l'extension, son rendement en sera encore accru. Il faut, toutefois, que nous donnions tous nos soins à accélérer l'organisation de la patrie.

L'allure de la politique internationale rend nécessaire l'augmentation des moyens de sécurité nationale. Je souhaite que vous recherchiez d'une façon attentive et appropriée les mesures financières que cela exige.

Je me dois de rappeler avec émotion le haut intérêt que notre grande nation a apporté à la création de notre flotte aérienne.

Les récents événements internationaux ont justifié encore une fois l'importance vitale donnée à la constitution, pour la nation turque, d'une puissante armée de l'air. Dire que le foyer vénéré, que nous avons édifié au prix d'immenses efforts, que nous avons juré de défendre au prix de notre vie, se trouve assuré contre les attaques aériennes, c'est dire que nous avons la conviction de pouvoir causer, nous aussi, les mêmes ravages dans les foyers de ceux qui nous assailliraient. Nous lisons dans les yeux, enflammés par l'amour de la patrie, de chaque individu, le si sublime sentiment, nourri dans le cœur de la grande nation turque, de pouvoir trouver les moyens d'augmenter chaque jour cette conviction.

Nos aviateurs sont des héros qui, comme toute notre armée et notre flotte, sont prêts à défendre la patrie. La grande nation peut être heureuse de ses nobles enfants.

Mes chers Camarades,

Les questions qui nous occupent sont nombreuses, vastes et importantes. Mais j'ai la ferme conviction qu'elles seront résolues. Car, la Grande Assemblée nationale est le prototype idéal du patriotisme, du travail et de l'appropriation dans les mesures adoptées. La Grande Assemblée est la principale source nationale d'inspiration et de puissance pour la sauvegarde de la patrie et sa prospérité.

E 6720 521 44

No. 22

Sir P. Loraine to Sir Samuel Hoare.—(Received November 14.)

(No. 565.)

Sir, *Angora, November 8, 1935.*

I HAVE the honour, with reference to my telegram No. 128 of to-day's date, to transmit to you the accompanying copy of the text, as published by the semi-official Anatolia Agency, of the protocol signed on the 7th November by the Turkish Minister for Foreign Affairs and the Soviet Ambassador, and extending, until the 7th November, 1945, the validity of the following Russo-Turkish agreements:—

(i) The treaty of friendship and neutrality signed at Paris on the 17th December, 1925;

(ii) The protocol, signed at Angora on the 17th December, 1929, extending the validity of the treaty of friendship of 1925; and

(iii) The naval protocol signed at Angora on the 7th March, 1931.

2. The Anatolia Agency also publishes the text of a congratulatory telegram, of which I enclose a copy,(1) addressed on this occasion by M. Tevfik Rüstü Aras and M. Karakhan, "of one accord," to the Soviet Commissar for Foreign Affairs.

3. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow.

I have, &c.
PERCY LORAINE.

(1) Not printed.

E 6723 5366 44

No. 23.

Sir P. Loraine to Sir Samuel Hoare.—(Received November 14.)

(No. 573 E.)

Sir, *Angora, November 9, 1935.*

I HAVE the honour to inform you that provisional figures of income and expenditure on State railways and ports (Haydarpasa and Dorince) during the period June 1934 to May 1935 were as follows:—

	£T.
Receipts	21,752,525
Expenditure	19,528,843
Profit	2,223,682

This profit will be reduced to some £T. 1½ million on payment of bonuses due in respect of transport of cereals and beetroots. The profit would have reached £T. 2 million had it not been for a loss of half a million on the Smyrna Kassaba Railway, which was taken over by the State in June 1934.

2. In comparison with previous years, and leaving aside the figures of the Smyrna Kassaba Railway, the profit or loss on State railways is as follows:—

	£T.
1930 31	– 325,500
1931 32	– 1,088,500
1932 33	– 1,149,260
1933 34	– 275,500
1934 35	– 2,000,000

3. Included in the expenditure for 1934 35 is a sum of £T. 5,466,843 representing annuities for the repurchase of the Anatolian and Smyrna Kassaba Railways.

4. Examination of the details of the receipts shows that from 1930 to 1935 the annual number of passengers carried has been roughly the same, but that the receipts in respect of goods traffic in 1934 35 exceeded the average of the previous four years by some £T. 7½ million—a direct consequence of Turkey's economic revival since September 1934.

5. State railways open to traffic during the period 1934 35 were, according to Turkish statistics:—

Name.	Length in Kilometres.
Anatolian	1,032
Bagdad	346
Angora–Sivas	602
Samsun–Sivas	376
Erzerum–Sarikamis	356
Kütahya–Balikesir	253
Mersin–Adana	68
Fevzipasa–Diarbekir	370
Irmak–Filyos	240
Mudanya–Bursa	41
Ulukisla–Bogazkopru	170
Samsun–Carsamba	36
Fevzipasa–Adana	140
Smyrna–Kassaba	703
Total	4,733

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

E 6966/25/44

No. 24.

Sir P. Loraine to Sir Samuel Hoare. (Received November 28.)

(No. 589 E.)

Sir, *Angora, November 22, 1935.*

I HAVE the honour, with reference to my despatches No. 396 E. of the 10th August and No. 246 E. of the 20th May last, to inform you that, according to the press, both the Fevzipasa–Malatya–Diarbekir and the Filyos–Irmak Railway lines have now been completed.

2. A telegram from Diarbekir, published in the press of the 31st October, announced that the first train had arrived there. This line will probably be officially inaugurated in a few days' time by the Minister of Public Works, who has declared that it is the intention of the Government to extend it "as far as Van and the frontier." Whether his Excellency meant the frontier of Persia or of Iraq is not clear.

3. The Filyos–Irmak line was solemnly opened at Filyos by the Minister of Public Works on the 12th November. Two trains, which had left Angora at 8 and 9 o'clock the previous evening, arrived at Filyos the following day at 1·30 P.M. and 2·30 P.M. respectively. Referring, in his speech, to the rich coal deposits of Zonguldak, M. Ali Çetinkaya declared that, as a happy result of the policy pursued by the Prime Minister, they were now at the gates of a treasure-house which would supply the needs of the Anatolian interior and its rapidly developing railway system. He stated that the line is 391 kilom. in length, that it has 27 stations, 1,368 bridges and 37 tunnels. Its total cost to the State had been £T. 45 million. Progress was being made on the extension of the line to Zonguldak and Eregli, and this latter section would soon be formally opened to traffic.

4. It is further reported in the press that the Afyon–Isparta section of the Afyon–Antalya Railway, referred to in Mr. Morgan's despatch No. 496 E. of the 28th August, 1934, is expected to be opened shortly.

5. Concerning the Sivas–Erzerum Railway, referred to in the enclosure to my despatch No. 559 E. of the 22nd November, 1934, it has been announced that the stations of Bostankaya and Tever, 25 kilom. and 43 kilom. respectively from Sivas, have now been opened, and that trains are already running to these two stations.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

E 6969 6969 44

No. 25.

Sir P. Loraine to Sir Samuel Hoare.—(Received November 28.)

(No. 595 E.)

Sir, *Angora, November 23, 1935.*

I HAVE the honour to transmit to you herewith a despatch addressed to me by the military attaché to this Embassy relative to certain proposals said to have been made to the Turkish Government by a group of German firms for the grant of a credit of 500 million reichsmarks, spread over twenty years, for the purchase, amongst other things, of war material from Germany.

2. German consortiums have previously granted from time to time large credits to the Turkish Government, although not of this magnitude. The last arrangement of this kind, I am informed, was for the supply of railway material, and involved a credit of £T. 20 million. It was negotiated by Herr Ludwig Bamberger (referred to in Major Sampson's despatch) on behalf of a group of German firms including Friedrich Krupp A. G., Ferrostahl A. G., Henschel und Sohn A. G., Linke-Hoffman-Busch Werke A. G., Otto Wolff and others. (These negotiations are possibly identical with those referred to in Mr. Morgan's

despatch No. 406 E. of the 28th August, 1934.) Messrs. Krupp also concluded a financial agreement with the Sümer Bank, whereby the former undertook to open a credit of £T.9 million for the bank's industrial development schemes.

3. I am sending copy of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 25.

Major Sampson to Sir P. Loraine.

(No. 3.)

Angora, November 15, 1935.

Sir,

I HAVE the honour to bring to your notice the following commercial proposals which have been put before the Turkish authorities by Germany. This information comes from two different sources which I consider reliable: the details and figures agreed independently.

2. The scheme has been laid before Ismet Inonu personally by a certain M. Bamberger, who is, I understand, an influential personage in German commercial circles. He is spokesman for a consortium of firms interested in heavy industry and war material, among which are included Siemens and Krupp. M. Bamberger was recently in Angora and has now returned to Germany but is expected back again in Turkey before long. The proposal is that the German group should grant Turkey a credit of 500 million reichsmarks (about £T.220 million) spread over twenty years. Of this sum a considerable proportion would be ear-marked for the Ministry of National Defence for the purchase of military requirements.

3. In this connexion it may be of interest that a contract was recently given by the Turks to Germany for the supply of 48 75-mm. mountain guns. The price quoted by Germany was far below that of other competitors, and I am given to understand that the Germans were prepared to make any sacrifice to obtain the order. I believe that this may be the first case where Germany has openly tendered for war material in the face of international competition. Further, the guns are presumed to be Krupp, but I hear that all German arms factories have been amalgamated into one group. The order as stated herein has been definitely given, but I am not in a position to vouch for the rest of the information in this paragraph, which might perhaps be checked elsewhere.

4. Germany has also supplied heavy lorries for simultaneous transport of guns and gun teams and is in the market for aircraft and submarines.

5. My own opinion, for what it is worth, is that the deal mentioned in paragraph 2 above is unlikely to go through in its entirety. It would be contrary to Turkey's military policy, as far as I am able to judge it, to place herself to such an extent in the hands of any one Power. It occurs to me also that Russian feelings might have to be taken into consideration.

I have, &c.
F. A. SAMPSON.

E 7016 25 44 No. 26.

Sir P. Loraine to Sir Samuel Hoare.—(Received December 2.)

(No. 601 E.)

Angora, November 27, 1935.

Sir,

I HAVE the honour, with reference to paragraph 2 of my despatch No. 589 E. of the 22nd November, to inform you that the official inauguration of the Fevzipasa–Diarbekir Railway line took place at Diarbekir on the 22nd instant in the presence of the Minister of Public Works.

2. In the speech which he delivered on this occasion M. Ali Çetinkaya hailed the opening of this line to traffic as the latest triumph of the Prime Minister's railway policy. Distant Diarbekir, which was the object of Atatürk's interest and affection, was now linked up with the Black Sea at Samsun, the

Mediterranean at Mersin, and through Angora with the Marmora and the Ægean. But Diarbekir was not to be the terminus; the line would be connected with the railways of Turkey's friends and brothers to the east, and the town would have an important part to play as a distributing centre of Western civilisation and modern science and technique.

3. The Minister went on to congratulate his country on the possession of the rich coalfields of Zonguldak and copper mines of Ergani, which it was one of the principal aims of the Government to develop by the most modern methods. The Government would shortly prove that the confidence of the public in subscribing to the Ergani loan (Mr. Morgan's despatch No. 392 E. of the 17th August, 1934) was fully justified. The newly opened line was called the "copper line," since it passed close to the mines and connected them with the rest of the country; while the district actually served by this railway contained 2½ million inhabitants, all of whom stood to benefit in a special manner.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

E 7226 10 44 No. 27.

Sir P. Loraine to Sir Samuel Hoare.—(Received December 12.)

(No. 606 E.)

Angora, November 27, 1935.

Sir,

I HAVE the honour, with reference to your despatch No. 415 of the 19th September last, to transmit to you the accompanying copy of a memorandum by Mr. Morgan on the subject of German economic penetration in Turkey.

2. As Mr. Morgan shows, this penetration is considerable and manifests itself in numerous directions. I agree with him, however, in thinking that it is due more to the force of circumstances, circumstances explained in his memorandum, than to any deliberate policy on the part of the German or Turkish Governments.

3. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 27.

Memorandum.

WHILE Turkey is making it impossible for old-established foreigners and foreign concerns to work in Turkey, she is continually engaging from abroad specialists of different nationalities to help her in the task of building up the new Turkey.

It is noticeable of recent years that a great many of these specialists are German. The new Institute of Agriculture in Angora, founded for research work in agriculture, and for the purposes of advising and directing the Government in its agricultural policy, is staffed with Germans who, with their families, now number some 200. The equipment of the institute and of the branches throughout the country is German.

This state of affairs is due to the fact that the present Minister of Agriculture, Muhlis Erkmen, studied in Germany. He began by appointing one of his old German professors head of the institute, and other appointments of Germans soon followed.

I have taken this example as typical. Owing to their alliance during the Great War, a large number of Turks came into close contact with Germans and became used to German material. Many Turks were sent to study in Germany, or were attached to German firms and factories. Since the war, the tradition has been maintained. A number of students are sent each year to Germany, and

when these return to Turkey they become influences working for the use of German methods and German material. It is due to these facts that one now finds in Angora the hospitals, the gas and electrical undertakings, the railway material, the town-planning, to be German, or German-inspired, or German-planned. The presence of so many Germans in Turkey in responsible positions naturally favours the import of German material, which is, of course, recommended as the most suitable.

Another factor making for German influence in Turkey is the present persecution of Jews in Germany. The result has been that many distinguished German Jews have come to Turkey and been appointed to posts in the Istanbul University. Knowing only German methods and German material they help to stimulate German exports to Turkey.

There are also traces of German influence in the Turkish navy, where the Turkish sailor is dressed to resemble a German sailor, while the higher Turkish officers entertain friendly feelings for their former comrades-in-arms.

A reference may here be made to the interesting report of the military attaché on the desire of German armament firms to secure contracts for Turkey (see Sir P. Loraine's despatch, No. 595 E of the 23rd November, 1935).

The utilisation of German specialists and ties of old friendship are factors, then, benefiting German trade with Turkey.

Another factor which stimulates such trade is that Germany seems to have no foreign exchange available for ordinary commercial supplies from abroad, and is therefore utilising the method of "clearing," whereby no exchange passes between the two countries concerned. Turkey is a country able to supply Germany with raw materials and agricultural produce, and Germany, which needs both, takes all in exchange for her own manufactures. The various despatches of the commercial secretary show that in the past two or three years German trade with Turkey has greatly increased. This, I think, is due to the fact that Germany finds it difficult to trade with countries with which she has no clearing agreements, and therefore has increasing recourse to Turkey.

This increasing Turco-German collaboration seems to me, then, to be due to three causes:—

(*a*) Turkey's need for foreign specialists and her preference for Germans;
(*b*) The German-Jewish influx into Turkey; and
(*c*) Germany's necessity to deal only with countries with which she has clearing agreements.

This collaboration is to some extent temporary. Turkey's close friendship with Soviet Russia would no doubt check anything in the nature of political collaboration and may even set bounds to the expansion of Turco-German trade.

J. M.

November 19, 1935